



## *Modimolle Local Municipality*

### **2011/12 Medium Term Revenue and Expenditure Framework (MTREF)**

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## **Part 1 – INTRODUCTION**

### **Municipal Budgeting**

Financial plans have separate budgets for operations and capital investments. This ensures that municipalities do not finance their operational expenses by obtaining loans, but rather helps them to be financially viable.

### **Operating Budget**

This part of the budget shows how much money is spent on running the administration and delivering the day-to-day services including the maintenance of existing assets and infrastructure. It shows where this money comes from (sources of revenue). This income may be from rates and taxes, service charges and inter –governmental transfers.

### **Capital Budget**

This part of the budget shows how much money local government is planning to invest in infrastructure or other capital assets. Municipalities have to know how much will be spent on this item each year, and where the money for this spending will come from. This part of the budget is called the **capital budget** because it is used for new physical development, or infrastructure investment.

The MFMA requires municipalities to prepare balanced budgets. This means that they have to make reasonable estimates of income and match it to anticipated expenditure.

## **Part 2 - ANNUAL BUDGET**

### **1. MAYORS' REPORT**

Honourable Speaker allow me to present to you the Budget for 2011/2012 financial year.

We have converged here today after celebrating a peaceful Easter Holiday and also recognize the Freedom Day Celebration.

Our country celebrates Freedom Day to mark the liberation of our country and people from a long period of colonialism and white minority domination which mean that we no longer have the situation which political power is enjoyed and exercised by a minority of our population, to the exclusion of the majority. We should all celebrate this day as it plays a significant role where for the first time all people exercise their democratic right by voting.

We should commit ourselves to ensuring the defense of the sacred freedom that we have won as a result of long, difficult and costly struggle.

Honourable speaker

Let me quote our icon u Tata Nelson Mandela "Never, never and never again shall it be that this beautiful land will again experience the oppression of one by another."

This is the last budget presentation to Council before the 18 May 2011 Local Government Election. For the past 17 years the ANC led government through the mandatory manifestos has improved the lives' of our communities by providing basic services such as housing, electricity, water, sanitation and roads to millions of people.

It is our duty as a Council and Municipality to ensure that community needs are addressed through the participatory democracy in the form of IDP/Budget road shows. Our success in administration largely depends on the efforts collective agreements and complementary spirit of management and Labour Unions.

Together we can build better communities

During the State of the Nation Address by the President Cde.JacobZuma made mention the government objectives which are as follows:-

- Creation of Jobs
- Education
- Priorities crimes against women and children
- Build a response accountable effective and efficient local government system.

The main strategic objectives of the municipalities should focus on the following:-

- Attract, develop and retain human capital
- Plan for the future
- Resource management of infrastructure and service
- Development and implementation of policies
- Improve financial viability

Mister Speaker

During the launching of the ANC manifesto for 2011 local government election Comrade President Jacob Zuma spell out that more jobs, decent work and reducing poverty are amongst our pledges which are in line with government priorities. As a Municipality we are committed to the President call to create jobs and decent work. We will engage government sectors and agencies to focus strongly on the involvement of youth in EPWP programmes.

Together let us build local economies that create jobs, decent work and sustainable livelihoods

Honourable Speaker

We are committed in improving local public service and broadening access to the following:

On roads

We are currently upgrading the Joe Slovo Bridge which will create a number of jobs, and our communities will be able to acquire skills after these project.

Water

We are upgrading the Donkerpoort Dam which will provide water to the community of Modimolle at large.

Electricity

We will start with the upgrading of the 40MVA substation in both ESKOM and Municipal side to have electricity in each ward. The ANC led municipality will speed up the provision of access roads, water and electricity infrastructure.

The ANC government will further strengthen the voice of the communities and ensures that adequate support is provided for empowerment of communities on decision making process affecting their lives. Ward Committes and Community Participation will be our pillar of strength.



For us to achieve of goals we should:-

- Engage the local business communities to promote local economic development.
- Strengthen the partnership with community based and non- governmental organization.

Mister Speaker the budget for 2011/2012 of the municipality is as follows:

The total operating expenditure for the 2011/12 financial year has been appropriated at R212, 5 million and translated into a budget of R25, 5 million increases. When compare to 2010/11 Adjustment budget operational expenditure has grown to 24, 5 percent in the 2011/12 budget and 9, 7 and 7, 9 percent for each of the respective outer years.

The total operating revenue has grown by 9, 4 percent or R16 million for the financial year when compared to the 2010/11 Adjustment Budget. For the outer years, operational revenue will increase by 8.26 and 8 percent respectively, equating to a total revenue growth of R47, 7million.

The Capital Budget of R33, 3 million for 2011/12 is 10, 9 percent loss when impaired to the 2010/11 Adjustment Budget. The reduction is due to the affordability constraints in the light of exact economic circumstances. The capital programme increase to R49, 8 million in the 2012/13 financial year and the events out in 2013/14 to R48, 9 million. The capital budget for the financial year 2011/12 will be funded from government grants and internally generated funds.

The Operational Expenditure per vote allocations is made as follows:-

Executive Council	0%	25 610 m
Financial Services	0%	9 324 m
Corporate Services	0%	11 120 m
Social services	8%	31 611 m
Technical Services	92%	134 862 m

Operational budget per expenditure.

Employee related costs	29%	61,669 m
Public Office Bearers	2,3%	4,903 m
Bulk Purchases	26,2%	55 560 m
Debt impairment	1,9%	4 m
Depreciation&Assets impairment	16,8%	35 750 m
Finance charges	0,38%	8,06 m
Other materials	3,9%	8 303 m
Contracted services	2,3%	4 873 m
Other expenditure	17,3%	36 661 m

The National Treasury has informed the Municipalities to prepare their budget in the context of the economic environment we are facing. Our proposal on tariffs is informed by the Local Economic conditions, unemployment and poverty level.

The increases being proposed for 2011/2012 are as follows:-

Water tariffs	15%
Electricity tariffs	28, 9%
Sanitation Tariffs	6%
Waste Removal	6%
Property rates	4-8%

On electricity tariffs it must be noted that NERSA has advised that a stepped tariff structure need to be implemented from the 1 July 2011. The effect thereof will be the higher the consumption the higher the cost per KVA.

The indigent consumers in the municipality will receive the free basic services which are as follows:-

- 75 kwh of electricity
- 6kl of water
- Free refuse removal
- Sewerage
- Property rate

Indigent consumers will not be billed for municipal services except where the free basic services exceed the stipulated Council indigent policy.

### Conclusion

Serokolo se senyane se ikoketsakamonkgo.

This budget does not address all our needs and wants, however it gives some indication of the extend in which we provide the service and the caring society.

We would urge the community of Modimolle to go in large numbers to vote and exercise their democratic rights.

Together we can build better communities.

Thank you

## **2. COUNCIL RESOLUTIONS**

1. The Council of Modimolle Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2011/12 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 15 on page 29;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 16 on page 31;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 17 on page 32; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 18 on page 35.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 19 on page 37;
    - 1.2.2. Budgeted Cash Flows as contained in Table 20 on page 39;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 21 on page 39;
    - 1.2.4. Asset management as contained in Table 22 on page 41; and
    - 1.2.5. Basic service delivery measurement as contained in Table 23 on page 44.
2. The Council of Modimolle Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2011:
  - 2.1. The tariffs for electricity – as set out in Annexure A
  - 2.2. The tariffs for the supply of water – as set out in Annexure B
  - 2.3. The tariffs for the refuse removal – as set out in Annexure C
  - 2.4. The tariffs for the sanitation – as set out in Annexure D
  - 2.5. The tariffs for the property rates – as set out in Annexure E
3. The Council of Modimolle Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2011 the tariffs for other services, as set out in Annexure H



4. The Council of Modimolle Local Municipality approves and adopts with effect from 1 July 2011 the following:
  - 4.1. Interest at the rate of 12,65% per annum on all accounts in arrears.
  - 4.2. Defaulters will be liable to legal proceedings for the recovery of arrear amounts.
5. The Council of Modimolle Local Municipality approve and adopts with effect from 1 July 2011 the following free basic services for Indigent consumers per 30-day period:
  - 5.1. 75kwh of electricity
  - 5.2. 6kl water
  - 5.3. free refuse removal
  - 5.4. sewerage
  - 5.5. property rates.

Indigent consumers will not be billed for municipal services except where they exceed the free basic services provided for by Council.

### 3. **EXECUTIVE SUMMARY**

The application of sound financial management principles for the compilation of the Municipalities financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The following table is a consolidated overview of the proposed 2011/12 Medium-term Revenue and Expenditure Framework:

**Table Consolidated Overview of the 2011/12 MTREF**

Description R thousands	Adjusted Budget 2010/11	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Total Operating Revenue	170 909	186 985	202 425	218 626
Total Operating Expenditure	170 720	212 526	233 144	251 642
<i>(Surplus)/Deficit for the year</i>	189	-25 542	-30 719	-33 016
Total Capital Expenditure	37 392	33 315	49 781	48 903

Total operating revenue has grown by 9.41percent or R16 million for the financial year when compared to the 2010/11 Adjustment Budget. For the two outer years, operational revenue will increase by 8.26 and 8percent respectively, equating to a total revenue growth of R47.7million over the MTREF when compared to the 2010/11 financial year.

Total operating expenditure for the 2011/12 financial year has been appropriated at R212.5million and translates into a budgeted deficit of R25.5 million. When compared to the 2010/11 Adjustments Budget, operational expenditure has grown by 24.5percent in the 2011/12 budget and by 9.7 and 7.9percent for each of the respective outer years of the MTREF.

The capital budget of R33.3million for 2011/12 is 10.9percent less when compared to the 2010/11 Adjustment Budget. The reduction is due to the affordability constraints in the light of current economic circumstances. The capital programme increases to R49.8million in the 2012/13 financial year and then evens out in 2013/12 to R48.9million. The capital budget for the financial year 2011/12 will be funded from government grants and internally generated funds.

#### 1. **Operating Revenue Framework**

The following table is a summary of the 2011/12 MTREF (classified by main revenue source):

**Table Summary of revenue classified by main revenue source**

Description R thousand	2007/8	2008/9	2009/10	Current Year 2010/11		2011/12 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue By Source</b>								
Property rates	13 968	11 303	12 907	13 053	15 378	16 870	17 747	18 811
Property rates - penalties & collection charges								
Service charges - electricity revenue	25 890	32 496	44 345	55 090	55 090	64 770	71 287	78 496
Service charges - water revenue	11 884	13 894	16 802	22 000	22 000	25 300	27 830	30 613
Service charges - sanitation revenue	6 179	6 839	5 821	8 000	8 000	8 480	8 989	9 438
Service charges - refuse revenue	4 796	5 181	7 510	6 170	6 170	6 540	6 932	7 348
Service charges - other		-						
Rental of facilities and equipment	145	122	204	165	165	150	162	175
Interest earned - external investments	3 549	4 507	3 243	1 600	2 100	2 100	2 030	1 850
Interest earned - outstanding debtors	2 151	1 420	1 972	2 000	2 000	2 000	2 200	2 400
Dividends received	-	-						
Fines	131	85	144	141	71	152	163	174
Licences and permits	-	-						
Agency services	2 693	1 960	2 626	2 700	2 700	3 000	3 180	3 371
Transfers recognised - operational	23 291	29 262	39 107	51 135	53 476	55 302	59 426	63 302
Other revenue	2 867	1 771	2 147	2 244	3 759	2 320	2 479	2 648
Gains on disposal of PPE								
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>97 543</b>	<b>108 839</b>	<b>136 829</b>	<b>164 298</b>	<b>170 909</b>	<b>186 985</b>	<b>202 425</b>	<b>218 626</b>

**Table Percentage growth in revenue by main revenue source**

R thousand	Adjusted Budget	%	Budget Year 2011/12	%	Budget Year +1 2012/13	%	Budget Year +2 2013/14	%
<b>Revenue By Source</b>								
Property rates	15 378	9%	16 870	9%	17 747	9%	18 811	9%
Service charges - electricity revenue	55 090	32%	64 770	35%	71 287	35%	78 496	36%
Service charges - water revenue	22 000	13%	25 300	14%	27 830	14%	30 613	14%
Service charges - sanitation revenue	8 000	5%	8 480	5%	8 989	4%	9 438	4%
Service charges - refuse revenue	6 170	4%	6 540	3%	6 932	3%	7 348	3%
Rental of facilities and equipment	165	0%	150	0%	162	0%	175	0%
Interest earned - external investments	2 100	1%	2 100	1%	2 030	1%	1 850	1%
Interest earned - outstanding debtors	2 000	1%	2 000	1%	2 200	1%	2 400	1%
Fines	71	0%	152	0%	163	0%	174	0%
Agency services	2 700	2%	3 000	2%	3 180	2%	3 371	2%
Transfers recognised - operational	53 476	31%	55 302	30%	59 426	29%	63 302	29%
Other revenue	3 759	2%	2 320	1%	2 479	1%	2 648	1%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>170 909</b>	<b>100%</b>	<b>186 985</b>	<b>100%</b>	<b>202 425</b>	<b>100%</b>	<b>218 626</b>	<b>100%</b>
Total Revenue from rates and service charges	106 638	62%	121 960	65%	132 785	66%	144 707	66%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than 60% of the total revenue mix. In the 2010/11 financial year, revenue from rates and services charges totalled R106.6million or 62 percent. This increases to R121.9million, R132.8million and R144.7million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 65percent in 2011/12 to 66percent in 2013/14. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 24 MBRR SA1 (see page 45).

Operating grants and transfers totals R53.5 million in the 2010/11 financial year and steadily increases to R63million by 2013/14. Note that the year-on-year growth for the 2011/12 financial year is 3 percent. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table Operating Transfers and Grant Receipts**

Description R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
National Government:	22 786	29 656	39 403	49 215	48 915	48 915	53 766	59 426	63 302
Local Government Equitable Share	21 552	27 626	35 918	44 945	44 945	44 945	50 075	55 376	58 990
Finance Management	500	1 295	2 750	2 000	2 000	2 000	1 250	1 500	1 500
Municipal Systems Improvement	734	735	735	750	600	600	790	800	900
Municipal Infrastructure Grant (MIG)				1 520	1 370	1 370	1 651	1 750	1 912
Provincial Government:	500	-	-	-	-	-	-	-	-
Department of Provincial & LG	500								
District Municipality:	-	-	44	2 000	2 000	2 000	1 000	-	-
Waterberg District				2 000	2 000	2 000	1 000		
Mabatlane Water Supply			44						
Other grant providers:	-	-	530	-	1 000	1 000	536	-	-
DWA			530						
EPWP					1 000	1 000	536		
<b>Total Operating Transfers and Grants</b>	<b>23 286</b>	<b>29 656</b>	<b>39 977</b>	<b>51 215</b>	<b>51 915</b>	<b>51 915</b>	<b>55 302</b>	<b>59 426</b>	<b>63 302</b>

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 percent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Magalies Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

### 1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 20 percent rebate will be granted on all residential properties (including state owned residential properties);
- 100 percent rebate will be granted to registered indigents in terms of the Indigent Policy;



- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 40percent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
- The property must be categorized as residential.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2011/12 financial year based on a 4 to 8percent increase from 1 July 2011 is contained below:

**Table Comparison of proposed rates to be levied for the 2011/12 financial year**

Category	Current Tariff (1 July 2010)	Proposed tariff (from 1 July 2011)
	Cent	Cent
Residential properties	0.47	0.51
State owned properties	1.87	1.94
Business & Commercial	1.87	1.94
Agricultural	0.12	0.13
Vacant land - Residential	0.47	0.51
Vacant land – Business & Commercial	1.87	1.94
Industrial	1.87	1.94
Mining Property	1.87	1.94
Public benefit organisation properties	0.12	0.13

## 1.2 Sale of water and impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Magalies Water has increased its bulk tariffs with 13percent from 1 July 2011.

A tariff increase of 15percent from 1 July 2011 for water is proposed. This is based on input cost assumptions of 13percent increase in the cost of bulk water (Magalies Water), the cost of other inputs increasing by 8 percent..

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

**Table Proposed Water Tariffs**

CATEGORY	CURRENT TARIFFS 2010/11	PROPOSED TARIFFS 2011/12
	Rand per kl	Rand per kl
<b>RESIDENTIAL:</b>		
<u>Modimolle/Phagameng</u>		
- 0 - 20 kl per 30-day period	R7-38	R8-49
- more than 20 kl per 30-day period	R9-96	R11-45
<u>Vaalwater/Alma</u>		
- 0 – 20 kl per 30-day period	R5-54	R6-37
- more than 20 kl per 30-day period	R8-86	R10-19
<b>BUSINESS:</b>		
Modimolle/Phagameng	R10-33	R11-88
Vaalwater/Alma	R9-35	R10-75

CATEGORY	CURRENT TARIFFS 2010/11	PROPOSED TARIFFS 2011/12
	Rand per kl	Rand per kl
<b>BULK:</b>		
Modimolle/Phagameng	R9-59	R11-03
Kokanje Retirement Village	R8-61	R9-90
Vaalwater/Alma		
- 0 - 5 kl per 30-day period	R2-83	R3-25
- 6 -10 kl per 30-day period	R4-18	R4-81
- 11 - 30 kl per 30-day period	R5-90	R6-79
- more than 30 kl per 30-day period	R6-90	R7-94
<b>MUNICIPAL</b>	R6-64	R7-64

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

**Table Comparison between current water charges and increases (Domestic)**

Monthly Consumption kl	Current Amount Payable R	Proposed Amount Payable R	Difference (Increase) R	Percentage Change
Modimolle/Phagameng:				
15	110.70	127.35	16.65	15%
25	197.40	227.05	29.65	15%
Vaalwater/Alma				
15	83.10	95.55	12.45	15%
25	155.10	178.35	23.25	15%

The tariff structure of the 2010/11 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate.

### 1.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 28.9 percent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2011.

Considering the Eskom increases, the consumer tariff had to be increased by 19percent to offset the additional bulk purchase cost from 1 July 2011. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the

municipality's revenue from electricity. Registered indigents will again be granted 75 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

**Table Comparison between current electricity charges and increases (Domestic)**

<b>Monthly Consumption kWh</b>	<b>Current Amount Payable R</b>	<b>Proposed Amount Payable R</b>	<b>Difference (Increase) R</b>	<b>Percentage Change</b>
50	41.52	41.52	0.00	0%
100	83.03	84.52	1.49	2%
300	249.09	256.52	7.43	3%
500	415.15	455.52	40.37	10%
700	581.21	690.52	109.31	19%

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

#### 1.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 percent for sanitation from 1 July 2011 is proposed. This tariff is based on the size of the property and the amount of sanitation connections.

The following table compares the current and proposed tariffs:

**Table Comparison between current sanitation charges and increases**

<b>DESCRIPTION</b>	<b>CURRENT TARIFF 2010/11</b>	<b>PROPOSED TARIFF 2011/12</b>
<b>Modimolle/Phagameng</b>		
<b>Basic</b>		
Size of stand:		
0 - 600 m <sup>2</sup>	R23-74	R25-16
600 - 1 983 m <sup>2</sup>	R47-70	R50-56
1 983 - 2 975 m <sup>2</sup>	R63-18	R66-97
2 975 - 3 966 m <sup>2</sup>	R79-08	R83-82
3 966 - 4 957 m <sup>2</sup>	R94-76	R100-45
4 957 - 9 914 m <sup>2</sup>	R110-56	R117-19
above 9 914 m <sup>2</sup>	R2-65	R2-81
(every 992 m <sup>2</sup> )		
Per toilet	R40-17	R42-58
<b>Vaalwater/Alma</b>		
Basic	As above	As above
Per toilet	R23-43	R24-84
Vacuum tank	R59-04	R62-58

### 1.5 Waste Removal and Impact of Tariff Increases

A 6 percent increase in the waste removal tariff is proposed from 1 July 2011.

The following table compares current and proposed amounts payable from 1 July 2011:

Table Comparison between current waste removal fees and increases

DESCRIPTION	CURRENT TARIFF 2010/11	PROPOSED TARIFF 2011/12
<b>Residential:</b>		
Modimolle	R59-47	R63-04
Phagameng	R59-47	R63-04
Vaalwater/Alma	R59-47	R63-04
<b>Business:</b>		
Modimolle/Phagameng	R178-10	R188-79
Vaalwater/Alma	R178-10	R188-79
<b>Mini Mass(per day):</b>		
Modimolle	R362-30	R400-00
Vaalwater/Alma	R362-30	R400-00
<b>Bulk:</b>	R1 158-05	R1227-53

### 1.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

**Table MBRR Table 14 - Household bills**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12 % incr.	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Rand/cent</b>										
<b>Monthly Account for Household - 'Large' Household</b>										
<b>Rates and services charges:</b>										
Property rates	–	82.67	90.93	97.13	97.13	97.13		104.90	111.19	117.88
Electricity: Basic levy	–	–	–	–	–	–		–	–	–
Electricity: Consumption	443.80	506.80	680.60	830.30	830.30	830.30		1 083.52	1 300.22	1 560.27
Water: Basic levy	–	–	–	–	–	–		–	–	–
Water: Consumption	160.10	171.20	201.00	247.20	247.20	247.20		284.30	326.95	375.99
Sanitation	103.73	110.99	120.80	128.04	128.04	128.04		135.72	143.86	152.50
Refuse removal	46.81	50.09	56.10	59.47	59.47	59.47		63.04	66.82	70.83
Other	–	–	–	–	–	–		–	–	–
<b>sub-total</b>	<b>754.44</b>	<b>921.75</b>	<b>1 149.43</b>	<b>1 362.14</b>	<b>1 362.14</b>	<b>1 362.14</b>	<b>22.7%</b>	<b>1 671.48</b>	<b>1 949.04</b>	<b>2 277.47</b>
VAT on Services	105.62	117.47	148.19	177.10	177.10	177.10		219.32	257.30	302.34
<b>Total large household bill:</b>	<b>860.06</b>	<b>1 039.22</b>	<b>1 297.62</b>	<b>1 539.24</b>	<b>1 539.24</b>	<b>1 539.24</b>	<b>22.8%</b>	<b>1 890.80</b>	<b>2 206.34</b>	<b>2 579.81</b>
<b>% increase/decrease</b>		<b>20.8%</b>	<b>24.9%</b>	<b>18.6%</b>	<b>–</b>	<b>–</b>		<b>22.8%</b>	<b>16.7%</b>	<b>16.9%</b>
<b>Monthly Account for Household - 'Small' Household</b>										
<b>Rates and services charges:</b>										
Property rates	–	26.08	28.69	30.64	30.64	30.64		33.09	35.77	37.18
Electricity: Basic levy	–	–	–	–	–	–		–	–	–
Electricity: Consumption	221.01	252.39	338.94	413.49	413.49	413.49		453.44	544.13	576.78
Water: Basic levy	–	–	–	–	–	–		–	–	–
Water: Consumption	127.75	136.60	160.50	197.40	197.40	197.40		227.05	261.11	300.27
Sanitation	51.78	56.88	60.29	63.91	63.91	63.91		67.74	71.80	76.11
Refuse removal	46.81	50.09	56.10	59.47	59.47	59.47		63.04	66.82	70.83
Other	–	–	–	–	–	–		–	–	–
<b>sub-total</b>	<b>447.35</b>	<b>522.04</b>	<b>644.52</b>	<b>764.91</b>	<b>764.91</b>	<b>764.91</b>	<b>10.4%</b>	<b>844.36</b>	<b>979.63</b>	<b>1 061.17</b>
VAT on Services	62.63	72.24	89.38	106.15	106.15	106.15		113.58	132.14	143.36
<b>Total small household bill:</b>	<b>509.98</b>	<b>594.28</b>	<b>733.90</b>	<b>871.06</b>	<b>871.06</b>	<b>871.06</b>	<b>10.0%</b>	<b>957.94</b>	<b>1 111.77</b>	<b>1 204.53</b>
<b>% increase/decrease</b>		<b>16.5%</b>	<b>23.5%</b>	<b>18.7%</b>	<b>–</b>	<b>–</b>		<b>10.0%</b>	<b>16.1%</b>	<b>8.3%</b>
<b>Monthly Account for Household - 'Small' Household receiving free basic services</b>										
<b>Rates and services charges:</b>										
Property rates	–	–	–	–	–	–		–	–	–
Electricity: Basic levy	–	–	–	–	–	–		–	–	–
Electricity: Consumption	–	–	–	41.52	41.52	41.52		50.12	60.14	72.17
Water: Basic levy	–	–	–	–	–	–		–	–	–
Water: Consumption	–	–	–	44.28	44.28	44.28		50.94	58.58	62.10
Sanitation	–	–	–	63.91	63.91	63.91		67.74	71.80	76.11
Refuse removal	–	–	–	59.47	59.47	59.47		63.04	66.82	70.83
Other	–	–	–	–	–	–		–	–	–
<b>sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>209.18</b>	<b>209.18</b>	<b>209.18</b>	<b>10.8%</b>	<b>231.84</b>	<b>257.34</b>	<b>281.21</b>
VAT on Services	–	–	–	29.29	29.29	29.29		32.46	36.03	39.37
<b>Total small household bill:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>238.47</b>	<b>238.47</b>	<b>238.47</b>	<b>10.8%</b>	<b>264.30</b>	<b>293.37</b>	<b>320.58</b>
<b>% increase/decrease</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>10.8%</b>	<b>11.0%</b>	<b>9.3%</b>

## 2. OPERATING EXPENDITURE FRAMEWORK

The following table is a high level summary of the 2011/12 budget and MTREF (classified per main type of operating expenditure)

**Table Summary of operating expenditure by standard classification item**

Description R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Expenditure By Type</b>									
Employee related costs	36 563	41 510	44 273	53 981	55 602	55 602	61 669	64 534	70 786
Remuneration of councillors	2 256	3 167	3 918	4 618	3 329	3 329	4 903	5 198	5 717
Debt impairment	3 150	–	10 902	3 000	3 000	3 000	4 000	4 500	5 000
Depreciation & asset impairment	7 363	9 047	9 349	9 450	11 350	11 350	35 750	37 894	40 158
Finance charges	661	727	1 557	1 675	675	675	806	826	846
Bulk purchases	18 346	26 380	38 144	46 300	46 300	46 300	55 560	63 494	72 543
Other materials	2 851	3 600	6 530	7 171	6 835	6 835	8 303	9 791	11 046
Contracted services	1 767	3 340	6 939	4 050	4 800	4 800	4 873	4 788	5 015
Transfers and grants									
Other expenditure	18 790	21 192	30 723	38 894	38 830	38 830	36 661	42 120	40 530
Loss on disposal of PPE		3 535	254						
<b>Total Expenditure</b>	<b>91 748</b>	<b>112 498</b>	<b>152 588</b>	<b>169 140</b>	<b>170 720</b>	<b>170 720</b>	<b>212 526</b>	<b>233 144</b>	<b>251 642</b>

The budgeted allocation for employee related costs for the 2011/11 financial year totals R61.6 million, which equals 29percent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 8percent for the 2011/12 financial year.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipalities budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R35.7 million for the 2011/12 financial and equates to 16.8percent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.38percent (R806thousand) of operating expenditure excluding annual redemption for 2011/12 and increases to R846thousand by 2013/2014.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Magalies Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

### 3. OPERATING SURPLUS/DEFICIT

The Operating budget shows a deficit of R25 542 000, as per Table A1, and was calculated as follows:

Operating Revenue	R186 985 000.00
Operating Expenditure	<u>(R212 526 000.00)</u>
Balance as per Table A1	(R 25 541 000.00)
Plus: Non cash Items	
Depreciation	R 35 750 000.00
Debt Impairment	<u>R 4 000 000.00</u>
Operating Surplus after Non-Cash Items	R 14 209 000.00
Less: Phase in of Non-cash Items	<u>(R 14 209 000.00)</u>
Operating Surplus after Phase in of Non-cash Items	R 0.00

With the implementation of GRAP 17, Property, Plant and Equipment, the municipality had to provide for a larger amount for depreciation. Depreciation has to be phased into the tariff structure so that the renewal of infrastructure assets can be done.

The municipality acknowledges that the full impact of providing for depreciation can't be achieved in one financial year. To lift the burden of the community, depreciation will be phased in the tariff structure over a period.

The municipality will be able to phase in R14 209 000 of the R39 750 000 non cash items during this financial year.

#### 3.4 Capital Expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 2011/12 Medium-term capital budget per vote**

Vote Description R thousand	Current Year 2010/11		2011/12 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2011/12	%	Budget Year +1 2012/13	%	Budget Year +2 2013/14	%
Vote1 - Executive & Council	18	0%	–	0%	–	0%	–	0%
Vote2 - Financial Services	3 550	9%	10	0%	–	0%	–	0%
Vote3 - Corporate Services	269	1%	–	0%	–	0%	–	0%
Vote4 - Social Services	996	3%	2 680	8%	–	0%	1 500	3%
Vote5 - Technical Services	32 560	87%	30 625	92%	49 781	100%	47 403	97%
<b>Total Capital Budget</b>	<b>37 392</b>	<b>100%</b>	<b>33 315</b>	<b>100%</b>	<b>49 781</b>	<b>100%</b>	<b>48 903</b>	<b>100%</b>

For 2011/12 an amount of R30.6million has been appropriated for the development of infrastructure which represents 91.75percent of the total capital budget. In the outer years this amount totals R49.8million, 100percent and R47.4million, 97percent respectively for each of the financial years.





Total new assets represent 25.9percent or R8.6million of the total capital budget while asset renewal equates to 74.09percent or R24.7million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 22 MBRR A9 (Asset Management) on page 41. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 74, 75 and 76).

#### **4. ANNUAL BUDGET TABLES**

The information in the following Tables A1 to A10 constitutes the Municipality's budget for the 2011/12 financial year and indicative allocations for the 2012/13 and 2013/14 financial years in terms of section 8 of the Municipal Budget and Reporting Regulations.

The Municipality does not have any entities through which it provides municipal services. Instead, services are provided internally through departments. The key departments are Technical and Social Services. In instances where internal capability is limited, services are provided through external services providers. In such instances, Service Level Agreements are entered into with the service providers. Therefore, the budget tables that follow relate to the budget of the municipality only.

**Table MBRR Table A1 - Budget Summary**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	13 968	11 303	12 907	13 053	15 378	15 378	16 870	17 747	18 811
Service charges	48 749	58 410	74 479	91 260	91 260	91 260	105 090	115 039	125 896
Investment revenue	3 549	4 507	3 243	1 600	2 100	2 100	2 100	2 030	1 850
Transfers recognised - operational	23 291	29 262	39 107	51 135	53 476	53 476	55 302	59 426	63 302
Other own revenue	7 987	5 358	7 094	7 250	8 695	8 695	7 622	8 184	8 767
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>97 543</b>	<b>108 839</b>	<b>136 829</b>	<b>164 298</b>	<b>170 909</b>	<b>170 909</b>	<b>186 985</b>	<b>202 425</b>	<b>218 626</b>
Employee costs	36 563	41 510	44 273	53 981	55 602	55 602	61 669	64 534	70 786
Remuneration of councillors	2 256	3 167	3 918	4 618	3 329	3 329	4 903	5 198	5 717
Depreciation & asset impairment	7 363	9 047	9 349	9 450	11 350	11 350	35 750	37 894	40 158
Finance charges	661	727	1 557	1 675	675	675	806	826	846
Materials and bulk purchases	21 198	29 980	44 674	53 471	53 135	53 135	63 863	73 285	83 589
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	23 707	28 067	48 818	45 944	46 630	46 630	45 534	51 408	50 545
<b>Total Expenditure</b>	<b>91 748</b>	<b>112 498</b>	<b>152 588</b>	<b>169 140</b>	<b>170 720</b>	<b>170 720</b>	<b>212 526</b>	<b>233 144</b>	<b>251 642</b>
<b>Surplus/(Deficit)</b>	<b>5 795</b>	<b>(3 659)</b>	<b>(15 759)</b>	<b>(4 842)</b>	<b>188</b>	<b>188</b>	<b>(25 542)</b>	<b>(30 719)</b>	<b>(33 016)</b>
Transfers recognised - capital	9 894	25 789	22 540	32 959	29 082	29 082	32 505	39 781	41 903
Contributions recognised - capital & contributed assets	-	66	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>15 689</b>	<b>22 196</b>	<b>6 781</b>	<b>28 118</b>	<b>29 270</b>	<b>29 270</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>15 689</b>	<b>22 196</b>	<b>6 781</b>	<b>28 118</b>	<b>29 270</b>	<b>29 270</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>15 687</b>	<b>34 179</b>	<b>25 563</b>	<b>40 539</b>	<b>37 392</b>	<b>37 392</b>	<b>33 315</b>	<b>49 781</b>	<b>48 903</b>
Transfers recognised - capital	9 894	25 789	22 540	27 979	29 082	29 082	32 505	39 781	41 903
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	5 000	-	-	-	10 000	7 000
Internally generated funds	5 793	8 390	3 023	7 560	8 310	8 310	810	-	-
<b>Total sources of capital funds</b>	<b>15 687</b>	<b>34 179</b>	<b>25 563</b>	<b>40 539</b>	<b>37 392</b>	<b>37 392</b>	<b>33 315</b>	<b>49 781</b>	<b>48 903</b>
<b>Financial position</b>									
Total current assets	57 569	56 998	55 659	129 428	55 404	55 404	55 285	56 105	64 407
Total non current assets	122 094	222 810	238 980	205 467	764 509	764 509	762 269	774 374	783 363
Total current liabilities	34 505	24 078	31 848	79 943	24 450	24 450	28 700	29 650	29 950
Total non current liabilities	15 307	15 327	15 606	20 398	16 230	16 230	16 895	27 210	34 530
Community wealth/Equity	129 851	240 403	247 184	234 554	779 233	779 233	771 960	773 619	783 290
<b>Cash flows</b>									
Net cash from (used) operating	19 013	26 322	36 016	65 998	21 767	21 767	33 404	34 407	52 465
Net cash from (used) investing	(14 564)	(33 525)	(25 772)	(40 702)	(37 555)	(37 555)	(33 510)	(49 999)	(46 864)
Net cash from (used) financing	(108)	(934)	(611)	8 267	(117)	(117)	(285)	9 765	6 120
<b>Cash/cash equivalents at the year end</b>	<b>17 513</b>	<b>9 376</b>	<b>19 009</b>	<b>52 568</b>	<b>3 100</b>	<b>3 100</b>	<b>2 709</b>	<b>(3 118)</b>	<b>8 603</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	33 656	27 291	31 589	46 410	28 584	28 584	28 979	29 397	36 742
Application of cash and investments	14 999	6 328	24 361	55 226	11 708	11 708	22 865	15 199	12 531
<b>Balance - surplus (shortfall)</b>	<b>18 658</b>	<b>20 963</b>	<b>7 228</b>	<b>(8 816)</b>	<b>16 876</b>	<b>16 876</b>	<b>6 114</b>	<b>14 198</b>	<b>24 211</b>
<b>Asset management</b>									
Asset register summary (WDV)	120 086	221 457	236 917	205 467	762 784	762 784	760 349	772 235	780 980
Depreciation & asset impairment	7 363	9 047	9 349	9 450	11 350	11 350	35 750	37 894	40 158
Renewal of Existing Assets	-	-	-	-	-	-	24 684	36 121	47 403
Repairs and Maintenance	2 851	3 600	6 529	7 171	6 835	6 835	8 306	9 794	11 049
<b>Free services</b>									
Cost of Free Basic Services provided	1 186	1 041	2 695	3 755	3 488	3 488	3 753	3 927	4 250
Revenue cost of free services provided	2 386	2 090	5 007	5 755	5 488	5 488	5 753	6 127	6 550
<b>Households below minimum service level</b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	2 598	2 454	2 047	2 644	2 644	2 644	2 644	2 644	2 644
Refuse:	6 673	6 673	6 673	6 082	6 082	6 082	6 802	6 802	6 802

**Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds is financed from accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

**Table MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	30 001	34 936	42 665	46 672	52 467	52 467	52 322	56 670	59 962
Executive and council	20 911	15 131	17 937	19 033	21 803	21 803	23 547	25 047	26 559
Budget and treasury office	7 930	18 828	23 844	26 886	28 755	28 755	27 812	30 637	32 304
Corporate services	1 160	977	884	753	1 910	1 910	963	986	1 099
<i>Community and public safety</i>	1 492	392	2 940	1 751	2 006	2 006	4 319	1 731	3 334
Community and social services	755	260	2 436	371	626	626	2 910	245	259
Sport and recreation	484	14	18	16	16	16	11	12	1 512
Public safety	253	118	485	1 365	1 365	1 365	1 398	1 475	1 563
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	4 150	16 218	16 461	13 521	14 280	14 280	9 526	23 281	5 667
Planning and development	202	156	1 312	1 611	1 611	1 611	1 874	1 932	2 110
Road transport	3 948	16 061	15 149	11 910	12 670	12 670	7 653	21 349	3 557
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	71 794	83 149	97 304	135 313	131 237	131 237	153 323	160 524	191 567
Electricity	33 445	42 715	50 765	70 101	67 721	67 721	75 194	84 712	88 916
Water	19 166	16 940	23 060	37 780	32 301	32 301	38 163	34 022	45 722
Waste water management	12 862	17 173	16 135	19 303	22 086	22 086	30 707	32 443	47 009
Waste management	6 321	6 320	7 344	8 130	9 130	9 130	9 259	9 347	9 920
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>107 437</b>	<b>134 694</b>	<b>159 369</b>	<b>197 257</b>	<b>199 991</b>	<b>199 991</b>	<b>219 490</b>	<b>242 206</b>	<b>260 529</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	24 053	25 969	37 901	35 751	40 343	40 343	46 162	46 878	50 788
Executive and council	15 538	14 829	22 792	20 010	20 467	20 467	25 610	27 295	29 506
Budget and treasury office	4 673	4 873	5 477	7 318	11 248	11 248	9 324	9 217	10 202
Corporate services	3 842	6 267	9 632	8 423	8 628	8 628	11 229	10 366	11 080
<i>Community and public safety</i>	7 574	9 981	11 454	11 707	13 498	13 498	17 128	18 214	19 568
Community and social services	3 562	5 435	7 253	6 300	8 351	8 351	10 695	11 372	12 166
Sport and recreation	3 767	4 428	3 715	4 042	3 783	3 783	5 034	5 367	5 839
Public safety	244	118	485	1 365	1 365	1 365	1 398	1 475	1 563
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	11 873	17 174	16 662	19 235	19 110	19 110	34 407	37 314	40 868
Planning and development	1 394	2 877	2 800	3 807	3 728	3 728	4 225	4 516	4 951
Road transport	10 479	14 296	13 862	15 428	15 382	15 382	30 182	32 799	35 917
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	48 249	59 375	86 571	102 447	97 769	97 769	114 829	130 738	140 417
Electricity	24 936	33 960	55 603	67 833	62 169	62 169	71 494	84 289	90 741
Water	13 134	13 929	18 728	19 832	20 657	20 657	25 992	28 642	30 493
Waste water management	4 560	5 325	5 500	7 087	6 775	6 775	9 036	9 559	10 232
Waste management	5 619	6 160	6 740	7 695	8 168	8 168	8 308	8 248	8 951
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>91 748</b>	<b>112 498</b>	<b>152 588</b>	<b>169 140</b>	<b>170 720</b>	<b>170 720</b>	<b>212 526</b>	<b>233 144</b>	<b>251 642</b>
<b>Surplus/(Deficit) for the year</b>	<b>15 689</b>	<b>22 196</b>	<b>6 781</b>	<b>28 118</b>	<b>29 270</b>	<b>29 270</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>

**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water and Waste management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

**Table MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue by Vote</b>									
Vote1 - Executive & Council	20 911	15 131	17 937	19 033	21 803	21 803	23 547	25 047	26 559
Vote2 - Financial Services	7 930	18 828	23 844	26 886	28 755	28 755	27 812	30 637	32 304
Vote3 - Corporate Services	896	613	629	596	356	356	840	852	953
Vote4 - Social Services	10 646	8 755	13 051	12 721	13 926	13 926	16 742	14 433	16 811
Vote5 - Technical Services	67 054	91 368	103 907	138 021	135 151	135 151	150 549	171 237	183 903
Example 6 - Vote6	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>107 437</b>	<b>134 694</b>	<b>159 369</b>	<b>197 257</b>	<b>199 991</b>	<b>199 991</b>	<b>219 490</b>	<b>242 206</b>	<b>260 529</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote1 - Executive & Council	15 538	14 829	22 792	20 010	20 467	20 467	25 610	27 295	29 506
Vote2 - Financial Services	4 673	4 873	5 477	7 318	11 248	11 248	9 324	9 217	10 202
Vote3 - Corporate Services	3 794	6 187	9 522	8 317	8 522	8 522	11 120	10 252	10 957
Vote4 - Social Services	17 282	21 301	23 535	25 188	27 372	27 372	31 611	33 048	35 693
Vote5 - Technical Services	50 462	65 309	91 262	108 306	103 111	103 111	134 862	153 331	165 285
Example 6 - Vote6	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>91 748</b>	<b>112 498</b>	<b>152 588</b>	<b>169 140</b>	<b>170 720</b>	<b>170 720</b>	<b>212 526</b>	<b>233 144</b>	<b>251 642</b>
<b>Surplus/(Deficit) for the year</b>	<b>15 689</b>	<b>22 196</b>	<b>6 781</b>	<b>28 118</b>	<b>29 270</b>	<b>29 270</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

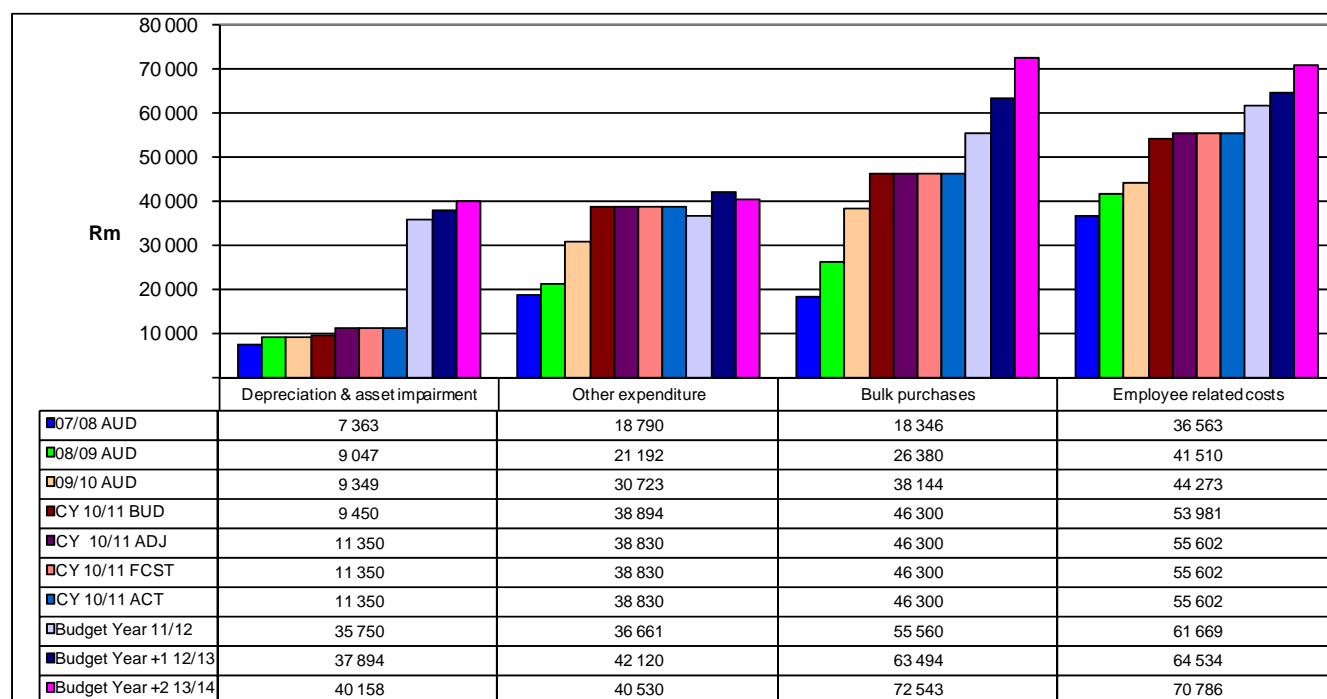
**Table MBRR Table A4 - Budgeted Financial Performance**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	13 968	11 303	12 907	13 053	15 378	15 378	16 870	17 747	18 811
Property rates - penalties & collection charges									
Service charges - electricity revenue	25 890	32 496	44 345	55 090	55 090	55 090	64 770	71 287	78 496
Service charges - water revenue	11 884	13 894	16 802	22 000	22 000	22 000	25 300	27 830	30 613
Service charges - sanitation revenue	6 179	6 839	5 821	8 000	8 000	8 000	8 480	8 989	9 438
Service charges - refuse revenue	4 796	5 181	7 510	6 170	6 170	6 170	6 540	6 932	7 348
Service charges - other		-							
Rental of facilities and equipment	145	122	204	165	165	165	150	162	175
Interest earned - external investments	3 549	4 507	3 243	1 600	2 100	2 100	2 100	2 030	1 850
Interest earned - outstanding debtors	2 151	1 420	1 972	2 000	2 000	2 000	2 000	2 200	2 400
Dividends received	-	-							
Fines	131	85	144	141	71	71	152	163	174
Licences and permits	-	-							
Agency services	2 693	1 960	2 626	2 700	2 700	2 700	3 000	3 180	3 371
Transfers recognised - operational	23 291	29 262	39 107	51 135	53 476	53 476	55 302	59 426	63 302
Other revenue	2 867	1 771	2 147	2 244	3 759	3 759	2 320	2 479	2 648
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>97 543</b>	<b>108 839</b>	<b>136 829</b>	<b>164 298</b>	<b>170 909</b>	<b>170 909</b>	<b>186 985</b>	<b>202 425</b>	<b>218 626</b>
<b>Expenditure By Type</b>									
Employee related costs	36 563	41 510	44 273	53 981	55 602	55 602	61 669	64 534	70 786
Remuneration of councillors	2 256	3 167	3 918	4 618	3 329	3 329	4 903	5 198	5 717
Debt impairment	3 150	-	10 902	3 000	3 000	3 000	4 000	4 500	5 000
Depreciation & asset impairment	7 363	9 047	9 349	9 450	11 350	11 350	35 750	37 894	40 158
Finance charges	661	727	1 557	1 675	675	675	806	826	846
Bulk purchases	18 346	26 380	38 144	46 300	46 300	46 300	55 560	63 494	72 543
Other materials	2 851	3 600	6 530	7 171	6 835	6 835	8 303	9 791	11 046
Contracted services	1 767	3 340	6 939	4 050	4 800	4 800	4 873	4 788	5 015
Transfers and grants									
Other expenditure	18 790	21 192	30 723	38 894	38 830	38 830	36 661	42 120	40 530
Loss on disposal of PPE		3 535	254						
<b>Total Expenditure</b>	<b>91 748</b>	<b>112 498</b>	<b>152 588</b>	<b>169 140</b>	<b>170 720</b>	<b>170 720</b>	<b>212 526</b>	<b>233 144</b>	<b>251 642</b>
<b>Surplus/(Deficit)</b>	<b>5 795</b>	<b>(3 659)</b>	<b>(15 759)</b>	<b>(4 842)</b>	<b>188</b>	<b>188</b>	<b>(25 542)</b>	<b>(30 719)</b>	<b>(33 016)</b>
Transfers recognised - capital	9 894	25 789	22 540	32 959	29 082	29 082	32 505	39 781	41 903
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets		66							
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>15 689</b>	<b>22 196</b>	<b>6 781</b>	<b>28 118</b>	<b>29 270</b>	<b>29 270</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>15 689</b>	<b>22 196</b>	<b>6 781</b>	<b>28 118</b>	<b>29 270</b>	<b>29 270</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>15 689</b>	<b>22 196</b>	<b>6 781</b>	<b>28 118</b>	<b>29 270</b>	<b>29 270</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>15 689</b>	<b>22 196</b>	<b>6 781</b>	<b>28 118</b>	<b>29 270</b>	<b>29 270</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>

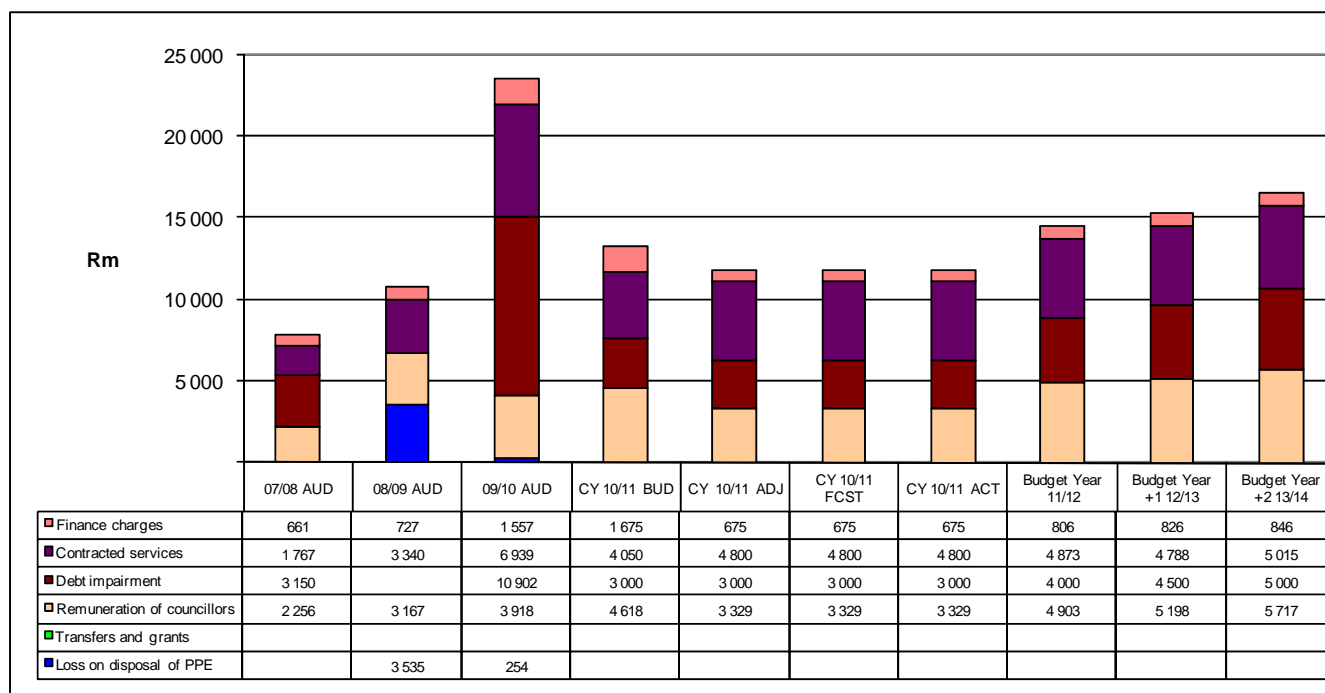


### **Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R186.9million in 2011/12 and escalates to R218.6 million by 2013/14. This represents a year-on-year increase of 8.26percent for the 2012/13 financial year and 8percent for the 2013/14 financial year.
2. Revenue to be generated from property rates is R16.9million in the 2011/12 financial year and increases to R18.8million by 2013/14 which represents 9percent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R105million for the 2011/12 financial year and increasing to R125.9million by 2013/14. For the 2011/12 financial year services charges amount to 56percent of the total revenue base and grows by 1percent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 7percent for the two outer years. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.
5. The following graph illustrates the major expenditure items per type.



**Figure Expenditure by major type**



**Figure Expenditure by minor type**

6. Bulk purchases have significantly increased over the 2007/08 to 2013/14 period escalating from R18.3million to R72.5million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Magalies Water.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote2 - Financial Services	-	-	-	-	-	-	-	-	-
Vote3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote4 - Social Services	-	-	-	-	320	320	2 680	-	-
Vote5 - Technical Services	-	-	20 477	24 001	23 390	23 390	29 973	28 127	33 903
Example 6 - Vote6	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	-	20 477	24 001	23 710	23 710	32 653	28 127	33 903
<b>Single-year expenditure to be appropriated</b>									
Vote1 - Executive & Council	126	-	617	-	18	18	-	-	-
Vote2 - Financial Services	532	-	349	3 538	3 550	3 550	10	-	-
Vote3 - Corporate Services	-	851	51	288	269	269	-	-	-
Vote4 - Social Services	2 400	361	766	688	676	676	-	-	1 500
Vote5 - Technical Services	12 630	32 967	3 304	12 026	9 170	9 170	652	21 654	13 500
Example 6 - Vote6	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	15 687	34 179	5 087	16 538	13 682	13 682	662	21 654	15 000
<b>Total Capital Expenditure - Vote</b>	15 687	34 179	25 563	40 539	37 392	37 392	33 315	49 781	48 903
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	657	851	1 017	3 825	3 837	3 837	10	-	-
Executive and council	126	-	617	-	18	18	-	-	-
Budget and treasury office	532	-	349	3 538	3 550	3 550	10	-	-
Corporate services	-	851	51	288	269	269	-	-	-
<b>Community and public safety</b>	1 955	201	639	338	668	668	2 680	-	1 500
Community and social services	1 487	56	639	250	570	570	2 680	-	-
Sport and recreation	468	145	-	88	98	98	-	-	1 500
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	3 098	14 275	14 430	11 146	11 973	11 973	5 346	17 994	-
Planning and development	328	-	-	20	70	70	57	-	-
Road transport	2 770	14 275	14 430	11 126	11 903	11 903	5 289	17 994	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	9 976	18 852	9 478	25 231	20 915	20 915	25 280	31 787	47 403
Electricity	1 504	4 241	347	5 518	3 897	3 897	595	13 660	7 000
Water	2 984	4 003	2 644	11 996	6 117	6 117	7 274	-	8 507
Waste water management	5 488	10 485	6 388	7 478	10 661	10 661	17 410	18 127	31 896
Waste management	-	124	99	240	240	240	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	15 687	34 179	25 563	40 539	37 392	37 392	33 315	49 781	48 903
<b>Funded by:</b>									
National Government	8 572	21 777	22 540	27 979	29 082	29 082	32 505	39 781	41 903
Provincial Government	-	4 012	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	1 323	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	9 894	25 789	22 540	27 979	29 082	29 082	32 505	39 781	41 903
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	5 000	-	-	-	10 000	7 000
Internally generated funds	5 793	8 390	3 023	7 560	8 310	8 310	810	-	-
<b>Total Capital Funding</b>	15 687	34 179	25 563	40 539	37 392	37 392	33 315	49 781	48 903

**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2011/12 R32.7million has been allocated of the total R33.3million capital budget, which totals 98percent. This allocation decreases to R28.1million in 2012/13 and then flattens out to R33.9million in 2013/14 owing primarily to the fact that various projects reach completion in 2012/13 hence the spike in expenditure in year two.
3. Single-year capital expenditure has been appropriated at R662thousand for the 2011/12 financial year and escalates over the MTREF at levels of R21.6 million and R15 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2011/12, capital transfers totals R32.5million (98percent) and escalates to R41.9million by 2013/14 (86percent). Borrowing has been provided at R10million and R7 million for the two outer years with internally generated funding totaling R810thousand for the 2011/12 financial year.

**Table MBRR Table A6 - Budgeted Financial Position**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	1 656	22	1 984	14 344	3 100	3 100	3 300	3 500	10 600
Call investment deposits	30 093	27 232	28 142	32 066	23 858	23 858	23 858	23 858	23 858
Consumer debtors	15 220	20 041	18 814	46 687	21 446	21 446	21 327	21 647	22 449
Other debtors	7 143	5 886	2 415	26 750	2 500	2 500	2 000	2 000	2 000
Current portion of long-term receivables	48	–	–	–	–	–	–	–	–
Inventory	3 409	3 817	4 303	9 581	4 500	4 500	4 800	5 100	5 500
<b>Total current assets</b>	<b>57 569</b>	<b>56 998</b>	<b>55 659</b>	<b>129 428</b>	<b>55 404</b>	<b>55 404</b>	<b>55 285</b>	<b>56 105</b>	<b>64 407</b>
<b>Non current assets</b>									
Long-term receivables	100	100	100		100	100	100	100	100
Investments	1 908	1 254	1 462		1 625	1 625	1 820	2 039	2 283
Investment property					5 191	5 191	5 191	5 191	5 191
Investment in Associate									
Property, plant and equipment	120 086	221 457	236 661	205 467	752 095	752 095	749 660	761 547	770 291
Agricultural									
Biological									
Intangible			256		5 497	5 497	5 497	5 497	5 497
Other non-current assets			500						
<b>Total non current assets</b>	<b>122 094</b>	<b>222 810</b>	<b>238 980</b>	<b>205 467</b>	<b>764 509</b>	<b>764 509</b>	<b>762 269</b>	<b>774 374</b>	<b>783 363</b>
<b>TOTAL ASSETS</b>	<b>179 663</b>	<b>279 808</b>	<b>294 638</b>	<b>334 895</b>	<b>819 913</b>	<b>819 913</b>	<b>817 555</b>	<b>830 479</b>	<b>847 770</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft	–	1 216	–	–	–	–	–	–	–
Borrowing	1 001	709	713	–	750	750	800	1 450	1 450
Consumer deposits	2 283	2 378	2 501	6 084	2 700	2 700	2 900	3 200	3 500
Trade and other payables	31 221	19 774	28 634	73 859	21 000	21 000	25 000	25 000	25 000
Provisions									
<b>Total current liabilities</b>	<b>34 505</b>	<b>24 078</b>	<b>31 848</b>	<b>79 943</b>	<b>24 450</b>	<b>24 450</b>	<b>28 700</b>	<b>29 650</b>	<b>29 950</b>
<b>Non current liabilities</b>									
Borrowing	4 758	4 020	3 283	9 091	2 930	2 930	2 395	11 210	17 030
Provisions	10 550	11 307	12 323	11 307	13 300	13 300	14 500	16 000	17 500
<b>Total non current liabilities</b>	<b>15 307</b>	<b>15 327</b>	<b>15 606</b>	<b>20 398</b>	<b>16 230</b>	<b>16 230</b>	<b>16 895</b>	<b>27 210</b>	<b>34 530</b>
<b>TOTAL LIABILITIES</b>	<b>49 812</b>	<b>39 405</b>	<b>47 454</b>	<b>100 341</b>	<b>40 680</b>	<b>40 680</b>	<b>45 595</b>	<b>56 860</b>	<b>64 480</b>
<b>NET ASSETS</b>	<b>129 851</b>	<b>240 403</b>	<b>247 184</b>	<b>234 554</b>	<b>779 233</b>	<b>779 233</b>	<b>771 960</b>	<b>773 619</b>	<b>783 290</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	129 367	239 920	246 701	234 071	778 750	778 750	771 560	773 319	783 090
Reserves	483	483	483	483	483	483	400	300	200
Minorities' interests									
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>129 851</b>	<b>240 403</b>	<b>247 184</b>	<b>234 554</b>	<b>779 233</b>	<b>779 233</b>	<b>771 960</b>	<b>773 619</b>	<b>783 290</b>

**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 26 is supported by an extensive table of notes (SA3 which can be found on page 46) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table MBRR Table A7 - Budgeted Cash Flows**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	83 990	71 897	104 764	97 660	93 573	93 573	116 621	124 657	152 693
Government - operating	23 279	29 656	39 933	49 215	53 476	53 476	55 302	59 426	63 302
Government - capital	11 717	25 789	28 236	32 959	29 082	29 082	32 505	39 781	41 903
Interest	3 549	4 507	3 243	3 600	2 100	2 100	2 100	2 030	1 850
Dividends	-			-					
<b>Payments</b>									
Suppliers and employees	(102 861)	(104 801)	(139 619)	(143 008)	(155 790)	(155 790)	(172 318)	(190 661)	(206 437)
Finance charges	(661)	(727)	(541)	(2 075)	(675)	(675)	(806)	(826)	(846)
Transfers and Grants				27 646					
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>19 013</b>	<b>26 322</b>	<b>36 016</b>	<b>65 998</b>	<b>21 767</b>	<b>21 767</b>	<b>33 404</b>	<b>34 407</b>	<b>52 465</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE									
Decrease (Increase) in non-current debtors	155	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables									
Decrease (increase) in non-current investments	(261)	655	(209)	(163)	(163)	(163)	(195)	(218)	(245)
<b>Payments</b>									
Capital assets	(14 458)	(34 180)	(25 563)	(40 539)	(37 392)	(37 392)	(33 315)	(49 781)	(46 619)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(14 564)</b>	<b>(33 525)</b>	<b>(25 772)</b>	<b>(40 702)</b>	<b>(37 555)</b>	<b>(37 555)</b>	<b>(33 510)</b>	<b>(49 999)</b>	<b>(46 864)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans									
Borrowing long term/refinancing	500			5 000	-	-		10 000	7 000
Increase (decrease) in consumer deposits	-	95	123	3 583	199	199	200	300	300
<b>Payments</b>									
Repayment of borrowing	(609)	(1 029)	(734)	(316)	(316)	(316)	(485)	(535)	(1 180)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(108)</b>	<b>(934)</b>	<b>(611)</b>	<b>8 267</b>	<b>(117)</b>	<b>(117)</b>	<b>(285)</b>	<b>9 765</b>	<b>6 120</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>4 341</b>	<b>(8 137)</b>	<b>9 633</b>	<b>33 563</b>	<b>(15 906)</b>	<b>(15 906)</b>	<b>(391)</b>	<b>(5 827)</b>	<b>11 722</b>
Cash/cash equivalents at the year begin:	13 172	17 513	9 376	19 006	19 006	19 006	3 100	2 709	(3 118)
Cash/cash equivalents at the year end:	17 513	9 376	19 009	52 568	3 100	3 100	2 709	(3 118)	8 603

**Table MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	17 513	9 376	19 009	52 568	3 100	3 100	2 709	(3 118)	8 603
Other current investments > 90 days	14 235	16 662	11 117	(6 158)	23 858	23 858	24 449	30 477	25 855
Non current assets - Investments	1 908	1 254	1 462	-	1 625	1 625	1 820	2 039	2 283
<b>Cash and investments available:</b>	<b>33 656</b>	<b>27 291</b>	<b>31 589</b>	<b>46 410</b>	<b>28 584</b>	<b>28 584</b>	<b>28 979</b>	<b>29 397</b>	<b>36 742</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	2 118	2 513	9 077	22 435	-	-	-	-	-
Unspent borrowing									
Statutory requirements									
Other working capital requirements	5 641	(4 784)	5 868	18 907	1 208	1 208	11 865	3 599	431
Other provisions									
Long term investments committed	7 239	8 599	9 416	13 884	10 500	10 500	11 000	11 600	12 100
Reserves to be backed by cash/investments									
<b>Total Application of cash and investments:</b>	<b>14 999</b>	<b>6 328</b>	<b>24 361</b>	<b>55 226</b>	<b>11 708</b>	<b>11 708</b>	<b>22 865</b>	<b>15 199</b>	<b>12 531</b>
<b>Surplus(shortfall)</b>	<b>18 658</b>	<b>20 963</b>	<b>7 228</b>	<b>(8 816)</b>	<b>16 876</b>	<b>16 876</b>	<b>6 114</b>	<b>14 198</b>	<b>24 211</b>

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2011/12 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. Cash and cash equivalents totals R2.7million as at the end of the 2011/12 financial year and escalates to R8.6million by 2013/14.

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2011/12 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
6. As can be seen the budget has been modelled to progressively move from a deficit of R8.8 million in 2010/11 to a surplus of R24 million by 2013/14.



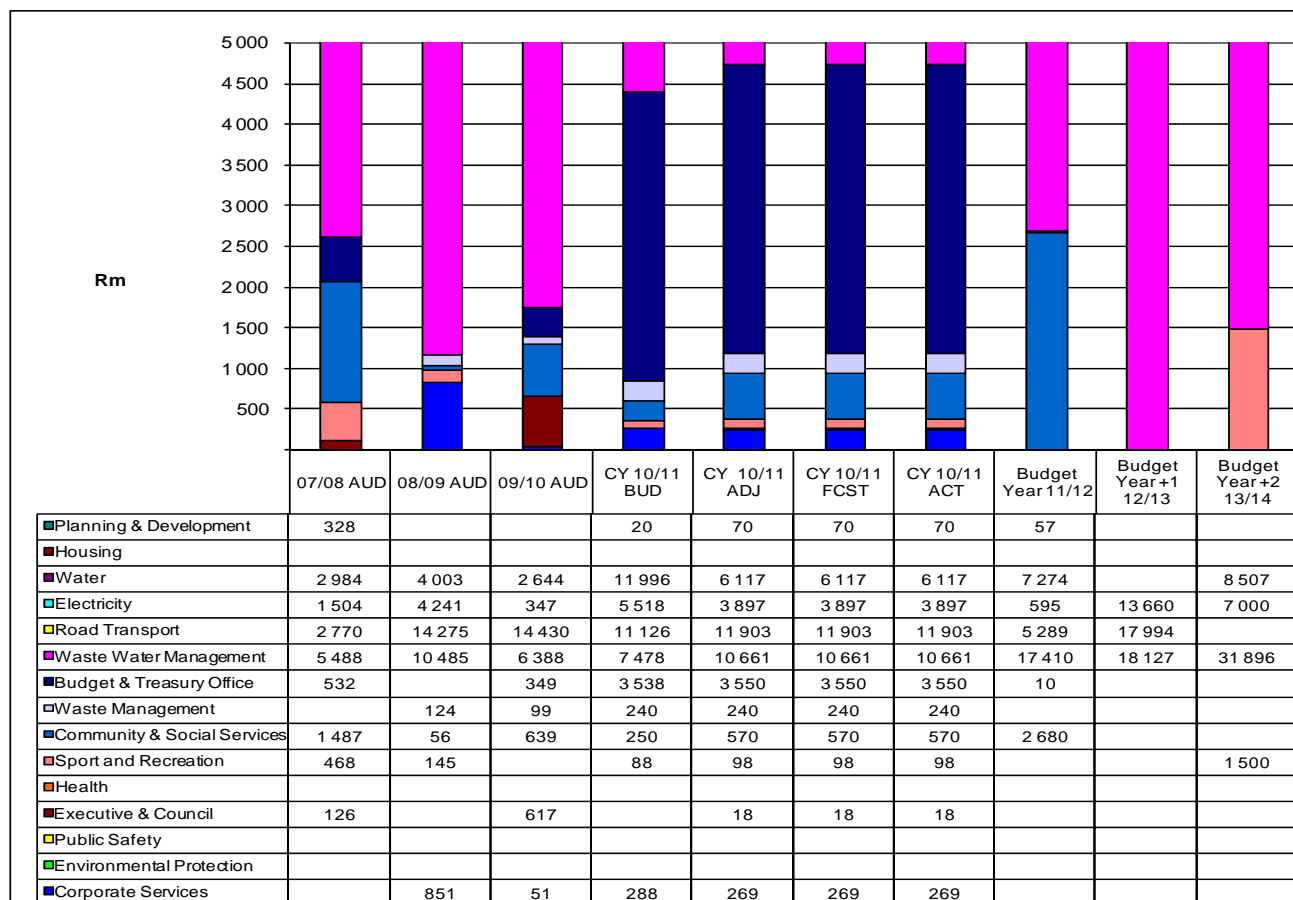
**Table MBRR Table A9 - Asset Management**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>15 687</b>	<b>34 179</b>	<b>25 563</b>	<b>40 539</b>	<b>37 392</b>	<b>37 392</b>	<b>8 631</b>	<b>13 660</b>	<b>1 500</b>
Infrastructure - Road transport	2 318	14 238	13 964	10 970	11 475	11 475	5 289	-	-
Infrastructure - Electricity	1 504	4 241	280	5 000	3 370	3 370	595	13 660	-
Infrastructure - Water	2 984	3 915	2 644	10 806	5 892	5 892	-	-	-
Infrastructure - Sanitation	5 488	10 448	6 388	7 479	10 596	10 596	-	-	-
Infrastructure - Other	-	-	249	240	240	240	-	-	-
Infrastructure	12 294	32 843	23 525	34 494	31 572	31 572	5 884	13 660	-
Community	1 955	968	449	188	728	728	2 680	-	1 500
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1 438	368	1 281	2 858	2 093	2 093	67	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	308	3 000	3 000	3 000	-	-	-
<b>Total Renewal of Existing Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 684</b>	<b>36 121</b>	<b>47 403</b>
Infrastructure - Road transport	-	-	-	-	-	-	-	17 994	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	7 000
Infrastructure - Water	-	-	-	-	-	-	7 274	-	8 507
Infrastructure - Sanitation	-	-	-	-	-	-	17 410	18 127	31 896
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	24 684	36 121	47 403
Community	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Infrastructure - Road transport	2 318	14 238	13 964	10 970	11 475	11 475	5 289	17 994	-
Infrastructure - Electricity	1 504	4 241	280	5 000	3 370	3 370	595	13 660	7 000
Infrastructure - Water	2 984	3 915	2 644	10 806	5 892	5 892	7 274	-	8 507
Infrastructure - Sanitation	5 488	10 448	6 388	7 479	10 596	10 596	17 410	18 127	31 896
Infrastructure - Other	-	-	249	240	240	240	-	-	-
Infrastructure	12 294	32 843	23 525	34 494	31 572	31 572	30 568	49 781	47 403
Community	1 955	968	449	188	728	728	2 680	-	1 500
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1 438	368	1 281	2 858	2 093	2 093	67	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	308	3 000	3 000	3 000	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>15 687</b>	<b>34 179</b>	<b>25 563</b>	<b>40 539</b>	<b>37 392</b>	<b>37 392</b>	<b>33 315</b>	<b>49 781</b>	<b>48 903</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	2 408	16 420	29 340	29 340	312 633	312 633	301 483	303 037	285 598
Infrastructure - Electricity	17 755	60 276	58 515	58 515	72 713	72 713	68 094	76 541	77 627
Infrastructure - Water	36 619	38 547	39 028	39 028	97 798	97 798	98 004	90 436	91 304
Infrastructure - Sanitation	19 568	28 959	34 277	34 277	69 921	69 921	85 030	99 857	128 153
Infrastructure - Other	3 235	3 099	3 119	3 119	240	240	240	240	240
Infrastructure	79 585	147 301	164 279	164 279	553 305	553 305	552 852	570 111	582 922
Community	31 466	70 725	69 048	37 853	141 871	141 871	141 548	138 545	137 041
Heritage assets	-	-	-	-	5 191	5 191	5 191	5 191	5 191
Investment properties	-	-	-	-	56 919	56 919	55 260	52 891	50 328
Other assets	9 034	3 430	3 334	3 334	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	256	-	5 497	5 497	5 497	5 497	5 497
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>120 086</b>	<b>221 457</b>	<b>236 917</b>	<b>205 467</b>	<b>762 784</b>	<b>762 784</b>	<b>760 349</b>	<b>772 235</b>	<b>780 980</b>

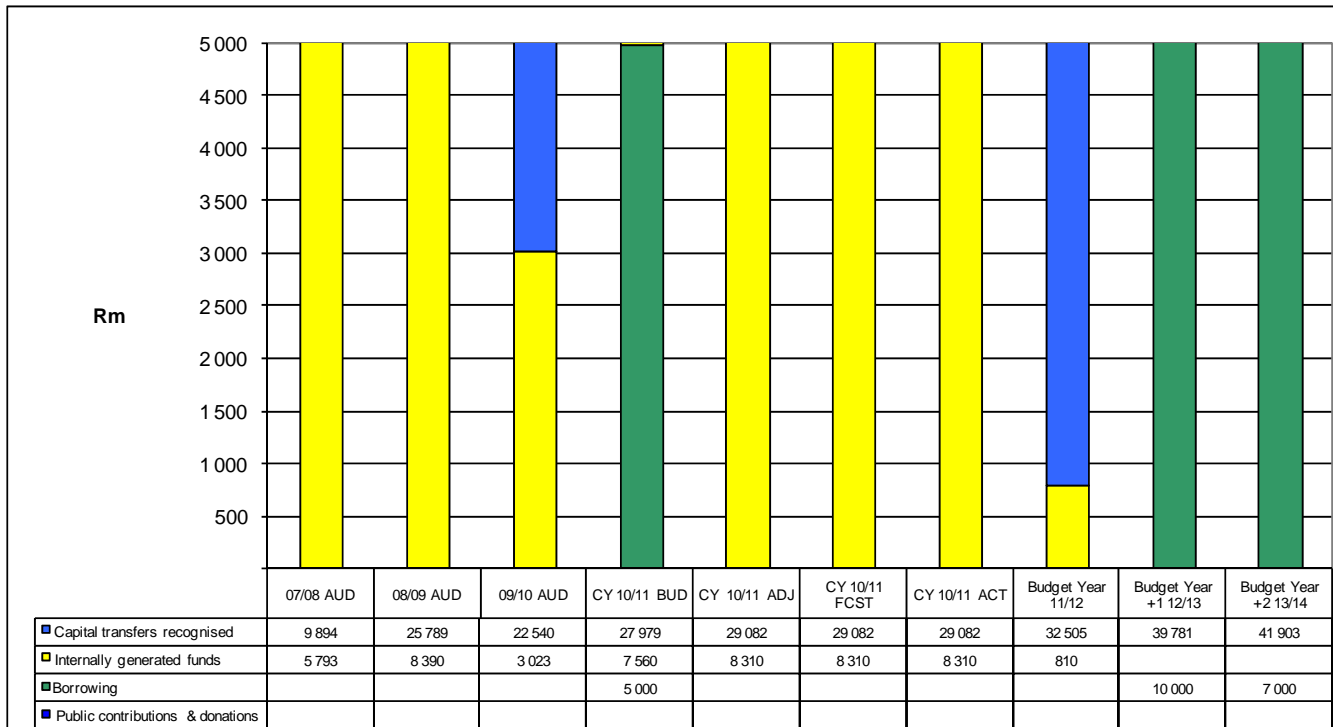
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>	7 363	9 047	9 349	9 450	11 350	11 350	35 750	37 894	40 158
<b>Repairs and Maintenance by Asset Class</b>	2 851	3 600	6 529	7 171	6 835	6 835	8 306	9 794	11 049
Infrastructure - Road transport	437	441	997	1 000	1 308	1 308	1 500	2 000	2 500
Infrastructure - Electricity	1 081	892	1 480	1 207	1 117	1 117	1 234	1 357	1 641
Infrastructure - Water	305	615	2 240	2 150	1 856	1 856	2 500	2 900	3 020
Infrastructure - Sanitation	150	141	269	458	348	348	499	544	593
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	1 973	2 090	4 986	4 815	4 628	4 628	5 733	6 801	7 754
Community	101	204	140	271	271	271	283	297	318
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	777	1 306	1 404	2 085	1 936	1 936	2 291	2 696	2 978
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>10 214</b>	<b>12 647</b>	<b>15 878</b>	<b>16 621</b>	<b>18 185</b>	<b>18 185</b>	<b>44 057</b>	<b>47 689</b>	<b>51 208</b>
<b>% of capital exp on renewal of assets</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>286.0%</b>	<b>264.4%</b>	<b>3160.2%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>69.0%</b>	<b>95.3%</b>	<b>118.0%</b>
<b>R&amp;M as a % of PPE</b>	<b>2.4%</b>	<b>1.6%</b>	<b>2.8%</b>	<b>3.5%</b>	<b>0.9%</b>	<b>0.9%</b>	<b>1.1%</b>	<b>1.3%</b>	<b>1.4%</b>
<b>Renewal and R&amp;M as a % of PPE</b>	<b>2.0%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>4.0%</b>	<b>6.0%</b>	<b>7.0%</b>

## Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.



**Figure Capital by standard classification**



**Figure Capital Funding by Source**

**Table MBRR Table A10 - Basic Service Delivery Measurement**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Household service targets (000)</b>									
<b>Water:</b>									
Piped water inside dwelling	7	7	7	7	7	7	7	7	7
Piped water inside yard (but not in dwelling)	8	8	8	9	9	9	10	10	10
Using public tap (at least min.service level)	2	2	2	2	2	2	2	2	2
Other water supply (at least min.service level)	1	1	1	1	1	1	1	1	1
<i>Minimum Service Level and Above sub-total</i>	17	18	18	19	19	19	20	20	20
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	17	18	18	19	19	19	20	20	20
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	11	12	13	15	15	15	16	16	16
Flush toilet (with septic tank)	1	1	1	1	1	1	1	1	1
Chemical toilet	2	1	1	2	2	2	2	2	2
Pit toilet (ventilated)	-	0	-						
Other toilet provisions (> min.service level)	4	3	2	2	2	2	2	2	2
<i>Minimum Service Level and Above sub-total</i>	17	18	18	19	19	19	20	20	20
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	17	18	18	19	19	19	20	20	20
<b>Energy:</b>									
Electricity (at least min.service level)	5	6	6	6	6	6	6	6	6
Electricity - prepaid (min.service level)	9	10	10	11	11	11	12	12	12
<i>Minimum Service Level and Above sub-total</i>	14	15	16	17	17	17	18	18	18
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources	3	2	2	3	3	3	3	3	3
<i>Below Minimum Service Level sub-total</i>	3	2	2	3	3	3	3	3	3
<b>Total number of households</b>	17	18	18	19	19	19	20	20	20
<b>Refuse:</b>									
Removed at least once a week	10	11	12	13	13	13	13	13	13
<i>Minimum Service Level and Above sub-total</i>	10	11	12	13	13	13	13	13	13
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump	6	6	6	6	6	6	7	7	7
Other rubbish disposal									
No rubbish disposal	1	1	1						
<i>Below Minimum Service Level sub-total</i>	7	7	7	6	6	6	7	7	7
<b>Total number of households</b>	17	18	18	19	19	19	20	20	20
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	4	3	3	4	4	5	6	6	6
Sanitation (free minimum level service)	4	3	3	4	4	5	6	6	6
Electricity/other energy (50kwh per household per month)	4	3	3	4	4	5	6	6	6
Refuse (removed at least once a week)	4	3	3	4	4	5	6	6	6
<b>Cost of Free Basic Services provided (R'000)</b>									
Water (6 kilolitres per household per month)	329	288	800	800	533	533	565	599	635
Sanitation (free sanitation service)	362	316	665	705	705	705	800	800	800
Electricity/other energy (50kwh per household per month)	325	288	900	1 900	1 900	1 900	2 014	2 135	2 399
Refuse (removed once a week)	171	149	330	350	350	350	374	393	417
<b>Total cost of FBS provided (minimum social package)</b>	1 186	1 041	2 695	3 755	3 488	3 488	3 753	3 927	4 250
<b>Highest level of free service provided</b>									
Property rates (R value threshold)									
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)	55	55	59	64	64	64	68	72	76
Electricity (kwh per household per month)	50	50	50	75	75	75	75	75	75
Refuse (average litres per week)	85	85	85	85	85	85	85	85	85
<b>Revenue cost of free services provided (R'000)</b>									
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)	1 199	1 049	2 312	2 000	2 000	2 000	2 000	2 200	2 300
Water	329	288	800	800	533	533	565	599	635
Sanitation	362	316	665	705	705	705	800	800	800
Electricity/other energy	325	288	900	1 900	1 900	1 900	2 014	2 135	2 399
Refuse	171	149	330	350	350	350	374	393	417
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
<b>Total revenue cost of free services provided (total social package)</b>	2 386	2 090	5 007	5 755	5 488	5 488	5 753	6 127	6 550

**Table MBRR Table SA 1 - Supporting detail to 'Budgeted Financial Performance'**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand									
<b>REVENUE ITEMS:</b>									
<u>Property rates</u>									
Total Property Rates	13 968	11 303	12 907	13 053	15 378	15 378	25 861	23 561	21 450
less Revenue Foregone							8 991	5 815	2 638
<b>Net Property Rates</b>	<b>13 968</b>	<b>11 303</b>	<b>12 907</b>	<b>13 053</b>	<b>15 378</b>	<b>15 378</b>	<b>16 870</b>	<b>17 747</b>	<b>18 811</b>
<u>Service charges - electricity revenue</u>									
Total Service charges - electricity revenue	25 890	32 496	44 345	55 090	55 090	55 090	64 770	71 287	78 496
less Revenue Foregone									
<b>Net Service charges - electricity revenue</b>	<b>25 890</b>	<b>32 496</b>	<b>44 345</b>	<b>55 090</b>	<b>55 090</b>	<b>55 090</b>	<b>64 770</b>	<b>71 287</b>	<b>78 496</b>
<u>Service charges - water revenue</u>									
Total Service charges - water revenue	11 884	13 894	16 802	22 000	22 000	22 000	25 300	27 830	30 613
less Revenue Foregone									
<b>Net Service charges - water revenue</b>	<b>11 884</b>	<b>13 894</b>	<b>16 802</b>	<b>22 000</b>	<b>22 000</b>	<b>22 000</b>	<b>25 300</b>	<b>27 830</b>	<b>30 613</b>
<u>Service charges - sanitation revenue</u>									
Total Service charges - sanitation revenue	6 179	6 839	5 821	8 000	8 000	8 000	8 480	8 989	9 438
less Revenue Foregone									
<b>Net Service charges - sanitation revenue</b>	<b>6 179</b>	<b>6 839</b>	<b>5 821</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 480</b>	<b>8 989</b>	<b>9 438</b>
<u>Service charges - refuse revenue</u>									
Total refuse removal revenue	4 796	5 181	7 510	6 170	6 170	6 170	6 540	6 932	7 348
Total landfill revenue									
less Revenue Foregone									
<b>Net Service charges - refuse revenue</b>	<b>4 796</b>	<b>5 181</b>	<b>7 510</b>	<b>6 170</b>	<b>6 170</b>	<b>6 170</b>	<b>6 540</b>	<b>6 932</b>	<b>7 348</b>
<u>Other Revenue by source</u>									
Fuel levy									
Other revenue	2 867	1 771	2 147	2 244	3 759	3 759	2 320	2 479	2 648
<b>Total 'Other' Revenue</b>	<b>2 867</b>	<b>1 771</b>	<b>2 147</b>	<b>2 244</b>	<b>3 759</b>	<b>3 759</b>	<b>2 320</b>	<b>2 479</b>	<b>2 648</b>
<b>EXPENDITURE ITEMS:</b>									
<u>Employee related costs</u>									
Salaries and Wages	26 354	30 408	31 948	36 571	37 559	37 559	42 283	44 404	48 832
Contributions to UIF, pensions, medical aid	5 641	6 326	6 932	10 652	10 419	10 419	11 311	11 996	13 183
Travel, motor car, accom: & other allowances	2 451	2 133	2 176	3 754	4 171	4 171	3 953	4 125	4 536
Housing benefits and allowances	254	190	663	431	331	331	354	376	412
Overtime	1 113	1 655	1 774	1 673	1 673	1 673	1 819	1 934	2 123
Performance bonus	-	-	-	-	-	-	250	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	750	799	781	900	900	900	900	900	900
Post-retirement benefit obligations	-	-	-	-	550	550	800	800	800
<i>sub-total</i>	<b>36 563</b>	<b>41 510</b>	<b>44 273</b>	<b>53 981</b>	<b>55 602</b>	<b>55 602</b>	<b>61 669</b>	<b>64 534</b>	<b>70 786</b>
<u>Less: Employees costs capitalised to PPE</u>									
<b>Total Employee related costs</b>	<b>36 563</b>	<b>41 510</b>	<b>44 273</b>	<b>53 981</b>	<b>55 602</b>	<b>55 602</b>	<b>61 669</b>	<b>64 534</b>	<b>70 786</b>
<u>Depreciation &amp; asset impairment</u>									
Depreciation of Property, Plant & Equipment	7 363	9 047	9 349	9 450	11 350	11 350	35 750	37 894	40 158
Lease amortisation									
Capital asset impairment									
<b>Total Depreciation &amp; asset impairment</b>	<b>7 363</b>	<b>9 047</b>	<b>9 349</b>	<b>9 450</b>	<b>11 350</b>	<b>11 350</b>	<b>35 750</b>	<b>37 894</b>	<b>40 158</b>
<u>Bulk purchases</u>									
Electricity Bulk Purchases	14 929	22 714	33 652	41 300	41 300	41 300	49 560	56 994	65 543
Water Bulk Purchases	3 417	3 665	4 493	5 000	5 000	5 000	6 000	6 500	7 000
<b>Total bulk purchases</b>	<b>18 346</b>	<b>26 380</b>	<b>38 144</b>	<b>46 300</b>	<b>46 300</b>	<b>46 300</b>	<b>55 560</b>	<b>63 494</b>	<b>72 543</b>

<b>Contracted services</b>									
<i>List services provided by contract</i>									
Security costs	804	2 195	3 050	2 550	3 400	3 400	3 573	3 788	4 015
Legal Services	962	1 145	3 889	1 500	1 400	1 400	1 300	1 000	1 000

**Table MBRR Table SA 2 - Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Vote1 - Executive & Council	Vote2 - Financial Services	Vote3 - Corporate Services	Vote4 - Social Services	Vote5 - Technical Services	Example 6 - Vote6	Example 7 - Vote7	Example 8 - Vote8	Example 9 - Vote9	Example 10 - Vote10	Example 11 - Vote11	Example 12 - Vote12	Example 13 - Vote13	Example 14 - Vote14	Example 15 - Vote15	Total
R thousand																
<b>Revenue By Source</b>																
Property rates	16 742															16 742
Property rates - penalties & collection charges																-
Service charges - electricity revenue					64 770											64 770
Service charges - water revenue					25 300											25 300
Service charges - sanitation revenue					8 480											8 480
Service charges - refuse revenue				6 540												6 540
Service charges - other																-
Rental of facilities and equipment				40	110											150
Interest earned - external investments		1 600														1 600
Interest earned - outstanding debtors		2 000														2 000
Dividends received																-
Fines				152												152
Licences and permits																-
Agency services				3 000												3 000
Other revenue	150	30	50	1 648	479											2 357
Transfers recognised - operational	6 594	23 977	790	3 211	26 821											61 393
Gains on disposal of PPE																-
<b>Total Revenue (excluding capital transfers and contri</b>	<b>23 486</b>	<b>27 607</b>	<b>840</b>	<b>14 591</b>	<b>125 961</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192 484</b>
<b>Expenditure By Type</b>																
Employee related costs	10 088	8 598	5 580	16 929	20 579											61 774
Remuneration of councillors	4 903															4 903
Debt impairment	4 000															4 000
Depreciation & asset impairment	2 332	422	661	5 168	27 168											35 750
Finance charges			150		656											806
Bulk purchases					55 560											55 560
Other materials	12	48	119	1 165	6 963											8 306
Contracted services			1 300	3 573												4 873
Transfers and grants																-
Other expenditure	4 301	255	3 311	5 190	28 936											41 994
Loss on disposal of PPE																-
<b>Total Expenditure</b>	<b>25 637</b>	<b>9 324</b>	<b>11 120</b>	<b>32 026</b>	<b>139 862</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217 968</b>
<b>Surplus/(Deficit)</b>	<b>(2 151)</b>	<b>18 284</b>	<b>(10 280)</b>	<b>(17 435)</b>	<b>(13 901)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25 484)</b>
Transfers recognised - capital				2 680	29 825											32 505
Contributions recognised - capital																-
Contributed assets																-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(2 151)</b>	<b>18 284</b>	<b>(10 280)</b>	<b>(14 755)</b>	<b>15 924</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 021</b>

**Table MBRR Table SA 3 - Supporting detail to 'Budgeted Financial Position'**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>ASSETS</b>									
<u>Call investment deposits</u>									
Call deposits < 90 days	15 858	10 571	17 021	-	-	-	-	-	-
Other current investments > 90 days	14 235	16 661	11 121	32 066	23 858	23 858	23 858	23 858	23 858
<b>Total Call investment deposits</b>	<b>30 093</b>	<b>27 232</b>	<b>28 142</b>	<b>32 066</b>	<b>23 858</b>	<b>23 858</b>	<b>23 858</b>	<b>23 858</b>	<b>23 858</b>
<u>Consumer debtors</u>									
Consumer debtors	24 620	28 509	38 183	58 155	43 815	43 815	48 197	53 017	58 318
Less: Provision for debt impairment	(9 400)	(8 468)	(19 370)	(11 468)	(22 370)	(22 370)	(26 870)	(31 370)	(35 870)
<b>Total Consumer debtors</b>	<b>15 220</b>	<b>20 041</b>	<b>18 814</b>	<b>46 687</b>	<b>21 446</b>	<b>21 446</b>	<b>21 327</b>	<b>21 647</b>	<b>22 449</b>
<u>Debt impairment provision</u>									
Balance at the beginning of the year	(7 723)	(9 400)	(8 468)	(11 468)	(19 370)	(19 370)	(22 370)	(26 870)	(31 370)
Contributions to the provision	(3 150)		(10 902)		(3 000)	(3 000)	(4 500)	(4 500)	(4 500)
Bad debts written off	1 474	932							
<b>Balance at end of year</b>	<b>(9 400)</b>	<b>(8 468)</b>	<b>(19 370)</b>	<b>(11 468)</b>	<b>(22 370)</b>	<b>(22 370)</b>	<b>(26 870)</b>	<b>(31 370)</b>	<b>(35 870)</b>
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	133 443	233 475	257 644	222 538	784 729	784 729	818 044	867 826	916 728
Leases recognised as PPE		2 010	2 010						-
Less: Accumulated depreciation	13 357	14 029	22 993	17 072	32 634	32 634	68 384	106 279	146 437
<b>Total Property, plant and equipment (PPE)</b>	<b>120 086</b>	<b>221 457</b>	<b>236 661</b>	<b>205 467</b>	<b>752 095</b>	<b>752 095</b>	<b>749 660</b>	<b>761 547</b>	<b>770 291</b>
<b>LIABILITIES</b>									
<u>Current liabilities - Borrowing</u>									
Short term loans (other than bank overdraft)									
Current portion of long-term liabilities	1 001	709	713		750	750	800	1 450	1 450
<b>Total Current liabilities - Borrowing</b>	<b>1 001</b>	<b>709</b>	<b>713</b>	<b>-</b>	<b>750</b>	<b>750</b>	<b>800</b>	<b>1 450</b>	<b>1 450</b>
<u>Trade and other payables</u>									
Trade and other creditors	29 103	13 375	19 557	50 663	21 000	21 000	25 000	25 000	25 000
Unspent conditional transfers	2 118	2 513	9 077	22 435					
VAT		3 886	-	762	-	-	-	-	-
<b>Total Trade and other payables</b>	<b>31 221</b>	<b>19 774</b>	<b>28 634</b>	<b>73 859</b>	<b>21 000</b>	<b>21 000</b>	<b>25 000</b>	<b>25 000</b>	<b>25 000</b>
<u>Non current liabilities - Borrowing</u>									
Borrowing	4 125	3 651	3 131	9 091	2 680	2 680	2 230	11 130	17 030
Finance leases (including PPP asset element)	632	369	152		250	250	165	80	-
<b>Total Non current liabilities - Borrowing</b>	<b>4 758</b>	<b>4 020</b>	<b>3 283</b>	<b>9 091</b>	<b>2 930</b>	<b>2 930</b>	<b>2 395</b>	<b>11 210</b>	<b>17 030</b>
<u>Provisions - non-current</u>									
Retirement benefits	10 550	11 307	12 323	11 307	13 300	13 300	14 500	16 000	17 500
List other major provision items									
Refuse landfill site rehabilitation									
Other									
<b>Total Provisions - non-current</b>	<b>10 550</b>	<b>11 307</b>	<b>12 323</b>	<b>11 307</b>	<b>13 300</b>	<b>13 300</b>	<b>14 500</b>	<b>16 000</b>	<b>17 500</b>
<b>CHANGES IN NET ASSETS</b>									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	22 515	129 367	239 920	246 701	246 701	246 701	777 071	771 560	773 319
GRAP adjustments	112 297	79 774		(40 747)	494 256	494 256	-	-	-
Restated balance	134 812	209 142	239 920	205 954	740 957	740 957	777 071	771 560	773 319
Surplus/(Deficit)	15 689	22 196	6 781	28 118	29 270	29 270	6 964	9 062	8 887
Appropriations to Reserves									
Transfers from Reserves									
Depreciation offsets									
Other adjustments	(21 134)	8 582		(1)	8 522	8 522	(12 475)	(7 302)	884
<b>Accumulated Surplus/(Deficit)</b>	<b>129 367</b>	<b>239 920</b>	<b>246 701</b>	<b>234 071</b>	<b>778 750</b>	<b>778 750</b>	<b>771 560</b>	<b>773 319</b>	<b>783 090</b>
<u>Reserves</u>									
Housing Development Fund	483	483	483	483	483	483	400	300	200
Capital replacement									
Capitalisation									
Government grant									
Donations and public contributions									
Self-insurance									
Other reserves (list)									
Revaluation									
<b>Total Reserves</b>	<b>483</b>	<b>483</b>	<b>483</b>	<b>483</b>	<b>483</b>	<b>483</b>	<b>400</b>	<b>300</b>	<b>200</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>129 851</b>	<b>240 403</b>	<b>247 184</b>	<b>234 554</b>	<b>779 233</b>	<b>779 233</b>	<b>771 960</b>	<b>773 619</b>	<b>783 290</b>



**Table MBRR Table SA 4 - Reconciliation of IDP strategic objectives and budget (revenue)**

Strategic Objective	Goal	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
Attract, develop and retain human capital	Improve well being of the community	66		76	40	100	100	40	40	40
	Improved employee satisfaction									
	Increased productivity									
	Improved service delivery									
Plan for the future	Well planned and structure development patterns	202	156	207	171	171	171	166	182	198
	Strategic utilisation of municipal land									
Resource management of infrastructure and services	Increase acceesibility to basic services	73 174	97 532	111 044	145 980	144 110	144 110	159 642	180 402	193 625
Development and implementation of policies	Improved good governance	21 730	15 743	18 491	19 589	21 859	21 859	24 347	25 859	27 472
	Improved customer services									
	Improved decision making									
Improve financial viability	Improved revenue base	7 930	18 828	23 844	26 886	28 755	28 755	27 812	30 637	32 304
	Reduce municpal outstanding debtors									
	Improved AG report									
Promote and encourage sustainable economic environment	Jobs created and reduced unemployment	11	-	-	-	200	200	-		
	Reduced poverty									
	Econim growth									
Promote the welfare of the economy	A healthy and self-driven society	4 324	2 434	5 707	4 591	4 796	4 796	7 483	5 086	6 891
Total Revenue (excluding capital transfers and contributions)		107 437	134 694	159 369	197 257	199 991	199 991	219 490	242 206	260 529

**Table MBRR Table SA 5 - Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
Attract, develop and retain human capital	Improve well being of the community	610	636	788	1 004	1 201	1 201	1 693	1 881	2 130
	Improved employee satisfaction									
	Increased productivity									
Plan for the future	Improved service delivery									
	Well planned and structure development patterns	1 393	2 877	1 695	2 387	2 358	2 358	2 574	2 766	3 039
	Strategic utilisation of municipal land									
Resource management of infrastructure and services	Increase accessibility to basic services	54 687	68 591	96 307	113 614	108 922	108 922	140 595	158 814	171 197
Development and implementation of policies	Improved good governance	18 009	19 295	30 109	25 136	25 438	25 438	32 119	32 574	34 974
	Improved customer services									
Improve financial viability	Improved decision making									
	Improved revenue base	4 673	4 873	5 477	7 318	11 248	11 248	9 324	9 217	10 202
	Reduce municipal outstanding debtors									
	Improved AG report									
Promote and encourage sustainable economic environment	Jobs created and reduced unemployment	713	1 085	1 418	2 187	2 350	2 350	2 918	3 093	3 359
	Reduced poverty									
Promote the welfare of the economy	Economic growth									
	A healthy and self-driven society	11 662	15 141	16 795	17 493	19 204	19 204	23 303	24 800	26 741
		91 749	112 498	152 588	169 140	170 720	170 720	212 526	233 144	251 642

**Table MBRR Table SA 6 - Reconciliation of IDP strategic objectives and budget (capital expenditure)**

Strategic Objective	Goal	Goal Code	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
Attract, develop and retain human capital	Improve well being of the community	A		145		103	15	15	-	-	-
	Improved employee satisfaction	B									
	Increased productivity	C									
	Improved service delivery	D									
Plan for the future	Well planned and structure development patterns	E							-	-	-
	Strategic utilisation of municipal land	F									
Resource management of infrastructure and services	Increase accessibility to basic services	G	12 630	32 967	24 855	36 026	33 735	33 735	30 625	49 781	47 403
Development and implementation of policies	Improved good governance	H			668		93	93	-	-	-
	Improved customer services	I									
	Improved decision making	J									
Improve financial viability	Improved revenue base	K	532	851	40	3 810	3 550	3 550	10		
	Reduce municipal outstanding debtors	L									
	Improved AG report	M									
Promote and encourage sustainable economic environment	Jobs created and reduced unemployment	N	126	216							
	Reduced poverty	O									
	Economic growth	P									
Promote the welfare of the economy	A healthy and self-driven society	Q	2 400			600			2 680		1 500
			15 687	34 179	25 563	40 539	37 392	37 392	33 315	49 781	48 903

**Table MBRR Table SA 8 Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b><u>Borrowing Management</u></b>										
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	2.6%	1.4%	1.1%	2.7%	0.4%	0.4%	0.3%	1.3%	2.0%
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.4%	1.6%	1.5%	1.2%	0.6%	0.6%	0.6%	0.6%	0.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-5.1%	0.0%	0.0%	-125.7%	0.0%	0.0%	0.0%	-85.8%	-87.5%
<b><u>Safety of Capital</u></b>										
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	38.4%	16.4%	19.2%	42.8%	5.2%	5.2%	5.9%	7.3%	8.2%
Gearing	Long Term Borrowing/ Funds & Reserves	984.5%	831.9%	679.4%	1881.1%	606.3%	606.3%	598.8%	3736.7%	8515.0%
<b><u>Liquidity</u></b>										
Current Ratio	Current assets/current liabilities	1.7	2.4	1.7	1.6	2.3	2.3	1.9	1.9	2.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	2.4	1.7	1.6	2.3	2.3	1.9	1.9	2.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	1.1	0.9	0.6	1.1	1.1	0.9	0.9	1.2
<b><u>Revenue Management</u></b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		122.7%	97.6%	113.2%	113.2%	113.2%	82.6%	91.4%	89.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	23.1%	23.9%	15.6%	44.7%	14.1%	14.1%	12.5%	11.7%	11.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
<b><u>Creditors Management</u></b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))									
<b><u>Funding of Provisions</u></b>										
Provisions not funded - %	Unfunded Provs./Total Provisions									
<b><u>Other Indicators</u></b>										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated									
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source									
Employee costs	Employee costs/(Total Revenue - capital revenue)	37.5%	38.1%	32.4%	32.9%	32.5%	32.5%	33.0%	31.9%	32.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	42.3%	41.2%	35.2%	35.7%	34.5%	34.5%	35.6%	34.4%	35.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.2%	9.0%	8.0%	6.8%	7.0%	7.0%	19.6%	19.1%	18.8%
<b><u>IDP regulation financial viability indicators</u></b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	13.4	20.0	25.0	46.8	46.8	46.8	51.3	47.2	51.3
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	35.7%	37.1%	24.2%	70.3%	22.4%	22.4%	19.1%	17.8%	16.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.3	1.5	2.2	5.6	0.3	0.3	0.2	(0.3)	0.6

**Table MBRR Table SA 9 - Social, economic and demographic statistics and assumptions**

Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2007/8	2008/9	2009/10	Current Year 2010/11	2011/12 Medium Term Revenue & Expenditure Framework		
<b>Demographics</b>											
Population	Population is decreasing	50	68	53	56	55	55	54	53	53	53
Females aged 5 - 14		5	7	5	4	4	4	4	4	4	4
Males aged 5 - 14		5	7	5	6	6	6	6	6	6	6
Females aged 15 - 34		8	14	10	10	10	10	10	10	10	10
Males aged 15 - 34		10	14	10	11	11	11	11	11	11	11
Unemployment		2	5	4	5						
<b>Household income (households) (1.)</b>											
None	Based on Population Growth	618	3 236	454	498	492	487	482	478	473	473
R1 - R4800		7 931	3 024	450	481	475	471	466	461	457	457
R4800 - R9600		940	5 102	1 821	1 975	1 953	1 934	1 915	1 896	1 877	1 877
<b>Poverty profiles (2.)</b>											
Insert description	Income under R1 500	13 998	18 020	9 590	10198.00	10020.00	9920.00	9820.00	9722.00	9625.00	9625.00
<b>Household/demographics (000)</b>											
Number of people in municipal area	Income under R1 500	50 227	72 810	52 602	56	55	55	54	53	53	53
Number of poor people in municipal area		13 998	18 020	9 590	10	10	10	10	10	10	10
Number of households in municipal area		12 091	20 965	15 826	17	17	17	17	16	16	16
Number of poor households in municipal area		6 163	3 050	450	0	0	0	0	0	0	0
Definition of poor household (R per month)											
<b>Housing statistics (3.)</b>											
Formal		7 046	10 081	9 441			5 137				
Informal		4 216	7 327	4 193			4 227				
Total number of households		11 262	17 408	13 634	-	-	9 364	-	-	-	-
Dwellings provided by municipality (4.)		12 091									
Dwellings provided by province/s					603	984	1 700	300			
Dwellings provided by private sector (5.)					548	408	232				
Total new housing dwellings		12 091	-	-	1 151	1 392	1 932	300	-	-	-
<b>Economic (6.)</b>											
Inflation/inflation outlook (CPIX)						9.9%	6.7%	5.7%			
Interest rate - borrowing											
Interest rate - investment								13.0%	8.0%		
Remuneration increases											
Consumption growth (electricity)											
Consumption growth (water)											
<b>Collection rates (7.)</b>											
Property tax/service charges								90.0%			
Rental of facilities & equipment								90.0%			
Interest - external investments								100.0%			
Interest - debtors								90.0%			
Revenue from agency services								100.0%			

**Table MBRR Table SA 10 - Funding measurement**

Description	MFMA section	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	18(1)b	17 513	9 376	19 009	52 568	3 100	3 100	2 709	(3 118)	8 603
Cash + investments at the yr end less applications - R'000	18(1)b	18 658	20 963	7 228	(8 816)	16 876	16 876	6 114	14 198	24 211
Cash year end/monthly employee/supplier payments	18(1)b	3.3	1.5	2.2	5.6	0.3	0.3	0.2	(0.3)	0.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	15 689	22 196	6 781	28 118	29 270	29 270	6 964	9 062	8 887
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	5.2%	19.4%	13.4%	(3.8%)	(6.0%)	8.4%	2.9%	3.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	121.1%	93.2%	108.2%	60.4%	80.6%	80.6%	52.2%	89.6%	100.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	5.0%	0.0%	12.4%	2.9%	2.8%	2.8%	3.3%	3.4%	3.5%
Capital payments % of capital expenditure	18(1)c:19	92.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	95.3%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	8.6%	0.0%	0.0%	39.8%	0.0%	0.0%	0.0%	100.0%	100.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	15.7%	(18.1%)	245.9%	(67.4%)	0.0%	(2.6%)	1.4%	3.4%
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	2.4%	1.6%	2.8%	3.5%	0.9%	0.9%	1.3%	1.5%	0.0%
Asset renewal % of capital budget	20(1)(vi)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	110.6%	168.5%	0.0%

**Table MBRR Table SA11 - Property rates summary**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Valuation:</b>									
Date of valuation:		2008/07/01	2008/07/01	2008/07/01					
Financial year valuation used		01-Jul-08	01-Jul-08	01-Jul-08			01-Jul-08		
Municipal by-laws s6 in place? (Y/N)		No	No	No			No		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		No	No	No			No		
No. of assistant valuers (FTE)		-	-	-	-	-	-	-	-
No. of data collectors (FTE)		4	4	4	4	4	4	4	4
No. of internal valuers (FTE)		-	-	-	-	-	-	-	-
No. of external valuers (FTE)		1	1	1	1	1	1	1	1
No. of additional valuers (FTE)		-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)		48	48	48			48		
No. of properties									
No. of sectional title values									
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-
No. of supplementary valuations		264	264	264	264	264			
No. of valuation roll amendments		-	-	-	-	-			
No. of objections by rate payers		11	11	11	11	11			
No. of appeals by rate payers									
No. of successful objections		2	2	2	2	2			
No. of successful objections > 10%									
Supplementary valuation									
Public service infrastructure value (Rm)									
Municipality owned property value (Rm)		25	25	0	0	0			
<b>Valuation reductions:</b>									
Valuation reductions-public infrastructure (Rm)									
Valuation reductions-nature reserves/park (Rm)									
Valuation reductions-mineral rights (Rm)									
Valuation reductions-R15,000 threshold (Rm)									
Valuation reductions-public worship (Rm)									
Valuation reductions-other (Rm)									
<b>Total valuation reductions:</b>	-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)									
Total land value (Rm)									
Total value of improvements (Rm)									
Total market value (Rm)									
<b>Rating:</b>									
Residential rate used to determine rate for other categories? (Y/N)									
Differential rates used? (Y/N)									
Limit on annual rate increase (s20)? (Y/N)									
Special rating area used? (Y/N)									
Phasing-in properties s21 (number)									
Rates policy accompanying budget? (Y/N)									
Fixed amount minimum value (R'000)									
Non-residential prescribed ratio s19? (%)									
<b>Rate revenue:</b>									
Rate revenue budget (R'000)	13 968	11 303	12 907	13 053	15 378	15 378	25 861	23 561	21 450
Rate revenue expected to collect (R'000)	12 571	10 172	11 617	11 748	13 840	13 840	23 275	21 205	19 305
Expected cash collection rate (%)	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Special rating areas (R'000)									
Rebates, exemptions - indigent (R'000)									
Rebates, exemptions - pensioners (R'000)									
Rebates, exemptions - bona fide farm. (R'000)									
Rebates, exemptions - other (R'000)									
Phase-in reductions/discounts (R'000)									
<b>Total rebates, exemptns, reductns, discs (R'000)</b>	-	-	-	-	-	-	-	-	-

**Table MBRR Table SA12 - Property Rates by Category**

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/Its	Public benefit organs.	Mining Props.
<b>Budget Year 2011/12</b>																
<b>Valuation:</b>																
No. of properties	8 512	70	244	2 321	70	2 782	43								71	
No. of sectional title property values																
No. of unreasonably difficult properties s7(2)																
No. of supplementary valuations																
Supplementary valuation (Rm)																
No. of valuation roll amendments																
No. of objections by rate-payers																
No. of appeals by rate-payers																
No. of appeals by rate-payers finalised																
No. of successful objections																
No. of successful objections > 10%																
Estimated no. of properties not valued																
Years since last valuation (select)	3	3	3	3	3		3								3	
Frequency of valuation (select)	4	4	4	4	4		4								4	
Method of valuation used (select)	Market	Market	Market	Market	Market		Market								Market	
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.		Land & impr.								Land & impr.	
Phasing-in properties s21 (number)																
Combination of rating types used? (Y/N)	No	No	No	No	No		No								No	
Flat rate used? (Y/N)																
Is balance rated by uniform rate/variable rate?																
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)				1 246			3									
Valuation reductions-nature reserves/park (Rm)																
Valuation reductions-mineral rights (Rm)																
Valuation reductions-R15,000 threshold (Rm)	127															
Valuation reductions-public worship (Rm)															1	
Valuation reductions-other (Rm)																
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	1 738	75	306	1 246	40	81	3								40	
Total land value (Rm)																
Total value of improvements (Rm)																
Total market value (Rm)																
<b>Rating:</b>																
Average rate	0.005100	0.019400	0.019400	0.001300	0.001940										0.005100	
Rate revenue budget (R '000)	7 089	1 449	5 929	1 619	618										165	
Rate revenue expected to collect (R'000)																
Expected cash collection rate (%)																
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)																
Rebates, exemptions - bona fide farm. (R'000)																
Rebates, exemptions - other (R'000)	1 772				155										41	
Phase-in reductions/discounts (R'000)																
<b>Total rebates, exemptns, reductns, discs (R'000)</b>																



No. of successful objections > 10%																
Estimated no. of properties not valued																
Years since last valuation (select)																
Frequency of valuation (select)																
Method of valuation used (select)																
Base of valuation (select)																
Phasing-in properties s21 (number)																
Combination of rating types used? (Y/N)																
Flat rate used? (Y/N)																
Is balance rated by uniform rate/variable rate?																
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)																
Valuation reductions-nature reserves/park (Rm)																
Valuation reductions-mineral rights (Rm)																
Valuation reductions-R15,000 threshold (Rm)																
Valuation reductions-public worship (Rm)																
Valuation reductions-other (Rm)																
<b>Total valuation reductions:</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)																
Total land value (Rm)																
Total value of improvements (Rm)																
Total market value (Rm)																
<b>Rating:</b>																
Average rate																
Rate revenue budget (R '000)																
Rate revenue expected to collect (R'000)																
Expected cash collection rate (%)																
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)																
Rebates, exemptions - pensioners (R'000)																
Rebates, exemptions - bona fide farm. (R'000)																
Rebates, exemptions - other (R'000)																
Phase-in reductions/discounts (R'000)																
<b>Total rebates,exemptns,eductns,discs (R'000)</b>																

**Table MBRR Table SA 15 - Investment particulars by type**

Investment type	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>Parent municipality</b>									
Securities - National Government	4	4	4		4	4	4	-	-
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	30 093	27 232	28 142	32 066	23 858	23 858	23 858	23 858	23 858
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	1 904	1 250	1 458		1 621	1 621	1 816	2 039	2 283
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	<b>32 001</b>	<b>28 486</b>	<b>29 605</b>	<b>32 066</b>	<b>25 484</b>	<b>25 484</b>	<b>25 679</b>	<b>25 897</b>	<b>26 142</b>
<b>Entities</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>	<b>32 001</b>	<b>28 486</b>	<b>29 605</b>	<b>32 066</b>	<b>25 484</b>	<b>25 484</b>	<b>25 679</b>	<b>25 897</b>	<b>26 142</b>

**Table MBRR Table SA16 - Investment particulars by maturity**

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
	Yrs/Months			Rand thousand	
<b>Parent municipality</b>					
NTK		Shares		4	-
RMB	17 years	Sinking Fund	19 October 2015	1 625	167
ABSA 206 3644 461	3 months	Fixed deposit	13 March 2011	3 344	261
FNB 710 5722 0470	12 months	Fixed deposit	07 September 2011	900	61
FNB 740 5718 5983	3 months	Fixed deposit	02 February 2011	4 643	308
FNB 740 5718 6535	3 months	Fixed deposit	02 February 2011	4 668	298
ABSA 92 5502 6252	Daily	Call account	Call	10 494	1 005
<b>Municipality sub-total</b>				<b>25 679</b>	<b>2 100</b>
<b>Entities</b>					
<b>Entities sub-total</b>				<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>25 679</b>	<b>2 100</b>

**Table MBRR Table SA 17 – Borrowing**

Borrowing - Categorised by type R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	4 125	3 651	3 131	9 091	2 680	2 680	2 230	11 130	17 030
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases	632	369	152		250	250	165	80	
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
<b>Municipality sub-total</b>	<b>4 758</b>	<b>4 020</b>	<b>3 283</b>	<b>9 091</b>	<b>2 930</b>	<b>2 930</b>	<b>2 395</b>	<b>11 210</b>	<b>17 030</b>
<b>Entities</b>									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Borrowing</b>	<b>4 758</b>	<b>4 020</b>	<b>3 283</b>	<b>9 091</b>	<b>2 930</b>	<b>2 930</b>	<b>2 395</b>	<b>11 210</b>	<b>17 030</b>

**Table MBRR Table SA 18 - Transfers and grant receipts**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
National Government:	22 786	29 656	39 403	49 215	48 915	48 915	53 766	59 426	63 302
Local Government Equitable Share									
Local Government Equitable Share	21 552	27 626	35 918	44 945	44 945	44 945	50 075	55 376	58 990
Finance Management	500	1 295	2 750	2 000	2 000	2 000	1 250	1 500	1 500
Municipal Systems Improvement	734	735	735	750	600	600	790	800	900
Integrated National Electrification Programme									-
Municipal Infrastructure Grant (MIG)				1 520	1 370	1 370	1 651	1 750	1 912
Provincial Government:	500	-	-	-	-	-	-	-	-
Department of Provincial & LG	500								
District Municipality:	-	-	44	2 000	2 000	2 000	1 000	-	-
Waterberg District				2 000	2 000	2 000	1 000		-
Mabatlane Water Supply			44						
Other grant providers:	-	-	530	-	1 000	1 000	536	-	-
DWA			530						
EPWP					1 000	1 000	536		
<b>Total Operating Transfers and Grants</b>	<b>23 286</b>	<b>29 656</b>	<b>39 977</b>	<b>51 215</b>	<b>51 915</b>	<b>51 915</b>	<b>55 302</b>	<b>59 426</b>	<b>63 302</b>
<b>Capital Transfers and Grants</b>									
National Government:	11 717	25 789	28 236	27 979	27 260	27 260	32 505	39 781	41 903
Municipal Infrastructure Grant (MIG)	8 572	21 777	28 236	26 979	26 110	26 110	32 505	39 781	41 903
Department of Mineral & Energy	3 145	4 012							
Municipal Systems Improvement					150	150			
Finance Management				1 000	1 000	1 000			
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
Waterberg District									
Other grant providers:	-	-	-	-	-	-	-	-	-
DWA									
<b>Total Capital Transfers and Grants</b>	<b>11 717</b>	<b>25 789</b>	<b>28 236</b>	<b>27 979</b>	<b>27 260</b>	<b>27 260</b>	<b>32 505</b>	<b>39 781</b>	<b>41 903</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>35 003</b>	<b>55 445</b>	<b>68 213</b>	<b>79 194</b>	<b>79 175</b>	<b>79 175</b>	<b>87 807</b>	<b>99 207</b>	<b>105 205</b>

**Table MBRR Table SA 19 - Expenditure on transfers and grant programme**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand									
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
National Government:	22 786	29 262	38 533	49 215	48 915	48 915	53 766	59 338	62 830
Local Government Equitable Share									
Local Government Equitable Share	21 552	27 626	35 918	44 945	44 945	44 945	50 075	55 376	58 990
Finance Management	500	1 011	1 972	2 000	2 000	2 000	1 250	1 500	1 500
Municipal Systems Improvement	734	624	642	750	600	600	790	800	900
Integrated National Electrification Programme									-
Municipal Infrastructure Grant (MIG)				1 520	1 370	1 370	1 651	1 662	1 440
Provincial Government:	500	-	-	-	-	-	-	-	-
Department of Provincial & LG	500								
District Municipality:	-	-	-	2 000	2 000	2 000	1 000	-	2 000
Waterberg District				2 000	2 000	2 000	1 000		2 000
Other grant providers:	-	-	574	-	1 000	1 000	536	-	-
DWA			530						
Mabatlane Water supply			44						
EPWP					1 000	1 000	536		
<b>Total operating expenditure of Transfers and Grants:</b>	<b>23 286</b>	<b>29 262</b>	<b>39 107</b>	<b>51 215</b>	<b>51 915</b>	<b>51 915</b>	<b>55 302</b>	<b>59 338</b>	<b>64 830</b>
<b>Capital expenditure of Transfers and Grants</b>									
National Government:	9 894	25 789	22 540	27 979	29 931	29 931	32 505	39 781	41 903
Municipal Infrastructure Grant (MIG)	8 572	21 777	22 540	26 979	26 959	26 959	32 505	39 781	41 903
Department of Mineral & Energy	1 323	4 012		-	1 822	1 822			
Municipal Systems Improvement					150	150			
Finance Management				1 000	1 000	1 000			
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
Waterberg District									
Other grant providers:	-	-	-	-	-	-	-	-	-
DWA									
<b>Total capital expenditure of Transfers and Grants</b>	<b>9 894</b>	<b>25 789</b>	<b>22 540</b>	<b>27 979</b>	<b>29 931</b>	<b>29 931</b>	<b>32 505</b>	<b>39 781</b>	<b>41 903</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>33 180</b>	<b>55 051</b>	<b>61 647</b>	<b>79 194</b>	<b>81 846</b>	<b>81 846</b>	<b>87 807</b>	<b>99 120</b>	<b>106 733</b>

**Table MBRR Table SA 20 - Reconciliation of transfers, grant receipts and unspent funds**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand									
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	296	296	691	–	1 561	1 561	–	–	–
Current year receipts	22 786	29 656	39 403	49 215	48 915	48 915	53 766	59 426	63 302
<b>Conditions met - transferred to revenue</b>	<b>22 786</b>	<b>29 262</b>	<b>38 533</b>	<b>49 215</b>	<b>50 476</b>	<b>50 476</b>	<b>53 766</b>	<b>59 426</b>	<b>63 302</b>
Conditions still to be met - transferred to liabilities	296	691	1 561	–	–	–	–	–	–
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	500	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>	<b>500</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	–	–	44	2 000	2 000	2 000	1 000	–	–
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>44</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>1 000</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	–	–	530	–	1 000	1 000	536	–	–
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>530</b>	<b>–</b>	<b>1 000</b>	<b>1 000</b>	<b>536</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
<b>Total operating transfers and grants revenue</b>	<b>23 286</b>	<b>29 262</b>	<b>39 107</b>	<b>51 215</b>	<b>53 476</b>	<b>53 476</b>	<b>55 302</b>	<b>59 426</b>	<b>63 302</b>
<b>Total operating transfers and grants - CTBM</b>	<b>296</b>	<b>691</b>	<b>1 561</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Capital transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	–	1 823	1 823	1 823	1 822	1 822	–	–	–
Current year receipts	11 717	25 789	28 236	27 979	27 260	27 260	32 505	39 781	41 903
<b>Conditions met - transferred to revenue</b>	<b>9 894</b>	<b>25 789</b>	<b>22 540</b>	<b>27 979</b>	<b>29 082</b>	<b>29 082</b>	<b>32 505</b>	<b>39 781</b>	<b>41 903</b>
Conditions still to be met - transferred to liabilities	1 823	1 823	7 518	1 823	–	–	–	–	–
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	–	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	–	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	–	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
<b>Total capital transfers and grants revenue</b>	<b>9 894</b>	<b>25 789</b>	<b>22 540</b>	<b>27 979</b>	<b>29 082</b>	<b>29 082</b>	<b>32 505</b>	<b>39 781</b>	<b>41 903</b>
<b>Total capital transfers and grants - CTBM</b>	<b>1 823</b>	<b>1 823</b>	<b>7 518</b>	<b>1 823</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>33 180</b>	<b>55 051</b>	<b>61 647</b>	<b>79 194</b>	<b>82 558</b>	<b>82 558</b>	<b>87 807</b>	<b>99 207</b>	<b>105 205</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>2 118</b>	<b>2 513</b>	<b>9 079</b>	<b>1 823</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

**Table MBRR Table SA21 - Transfers and grants made by the municipality**

Description R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<u>Transfers to other municipalities</u> <i>Insert description</i>									
TOTAL TRANSFERS TO MUNICIPALITIES:	-	-	-	-	-	-	-	-	-
<u>Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>									
TOTAL TRANSFERS TO ENTITIES/EMs:	-	-	-	-	-	-	-	-	-
<u>Transfers to other Organs of State</u> <i>Insert description</i>									
TOTAL TRANSFERS TO OTHER ORGANS OF STATE:	-	-	-	-	-	-	-	-	-
<u>Grants to Organisations/ Groups of Individuals</u> <i>Insert description</i>									
TOTAL GRANTS TO ORGANISATIONS/GROUPS OF INDIVIDUALS:	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	-	-	-	-	-	-	-	-	-

**Table MBRR Table SA 22 - Summary councillor and staff benefits**

Summary of Employee and Councillor remuneration R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
	A	B	C	D	E	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>									
Salary	2 256	1 943	2 410	2 531	2 550	2 550	2 877	3 050	3 355
Pension Contributions		302	341	380	383	383	432	457	503
Medical Aid Contributions		61	91	336	132	132	125	133	146
Motor vehicle allowance		711	893	1 082	1 016	1 016	1 145	1 213	1 335
Cell phone allowance		149	183	228	211	211	240	254	279
Housing allowance									
Other benefits or allowances				61	76	76	85	90	99
In-kind benefits									
<b>Sub Total - Councillors</b>	<b>2 256</b>	<b>3 167</b>	<b>3 918</b>	<b>4 618</b>	<b>4 366</b>	<b>4 366</b>	<b>4 903</b>	<b>5 198</b>	<b>5 717</b>
<b>% increase</b>		<b>40.4%</b>	<b>23.7%</b>	<b>17.9%</b>	<b>(5.5%)</b>	<b>-</b>	<b>12.3%</b>	<b>6.0%</b>	<b>10.0%</b>
<b><u>Senior Managers of the Municipality</u></b>									
Salary	1 489	2 007	1 009	1 935	1 915	1 915	2 649	2 835	3 033
Pension Contributions		289	203	320	389	389	538	576	616
Medical Aid Contributions		64	48	127	95	95	138	147	158
Motor vehicle allowance		609	423	766	678	678	922	901	991
Cell phone allowance									
Housing allowance									
Performance Bonus							250		
Other benefits or allowances	909	146	170	75	91	91	118	124	133
In-kind benefits									
<b>Sub Total - Senior Managers of Municipality</b>	<b>2 398</b>	<b>3 116</b>	<b>1 853</b>	<b>3 222</b>	<b>3 167</b>	<b>3 167</b>	<b>4 614</b>	<b>4 583</b>	<b>4 931</b>
<b>% increase</b>		<b>29.9%</b>	<b>(40.5%)</b>	<b>73.9%</b>	<b>(1.7%)</b>	<b>-</b>	<b>45.7%</b>	<b>(0.7%)</b>	<b>7.6%</b>
<b><u>Other Municipal Staff</u></b>									
Basic Salaries and Wages	26 354	28 577	30 939	34 637	35 644	35 644	39 634	41 569	45 799
Pension Contributions	3 954	4 205	4 705	6 295	6 455	6 455	7 467	7 918	8 722
Medical Aid Contributions	997	1 081	1 224	2 801	2 016	2 016	2 721	2 837	3 039
Motor vehicle allowance	2 451	1 524	1 753	2 412	2 244	2 244	2 526	2 687	2 954
Cell phone allowance			226	22	22	22	22	23	25
Housing allowance	170	190	177	431	331	331	354	376	412
Overtime	1 113	1 655	1 774	1 673	1 673	1 673	1 819	1 934	2 123
Performance Bonus									
Other benefits or allowances	1 524	1 339	1 621	2 488	3 013	3 013	2 513	2 607	2 781
In-kind benefits									
<b>Sub Total - Other Municipal Staff</b>	<b>36 563</b>	<b>38 571</b>	<b>42 420</b>	<b>50 759</b>	<b>51 397</b>	<b>51 397</b>	<b>57 055</b>	<b>59 951</b>	<b>65 855</b>
<b>% increase</b>		<b>5.5%</b>	<b>10.0%</b>	<b>19.7%</b>	<b>1.3%</b>	<b>-</b>	<b>11.0%</b>	<b>5.1%</b>	<b>9.8%</b>
<b>Total Parent Municipality</b>	<b>41 218</b>	<b>44 854</b>	<b>48 191</b>	<b>58 600</b>	<b>58 931</b>	<b>58 931</b>	<b>66 573</b>	<b>69 732</b>	<b>76 503</b>
		<b>8.8%</b>	<b>7.4%</b>	<b>21.6%</b>	<b>0.6%</b>	<b>-</b>	<b>13.0%</b>	<b>4.7%</b>	<b>9.7%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>41 218</b>	<b>44 854</b>	<b>48 191</b>	<b>58 600</b>	<b>58 931</b>	<b>58 931</b>	<b>66 573</b>	<b>69 732</b>	<b>76 503</b>
<b>% increase</b>		<b>8.8%</b>	<b>7.4%</b>	<b>21.6%</b>	<b>0.6%</b>	<b>-</b>	<b>13.0%</b>	<b>4.7%</b>	<b>9.7%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>38 962</b>	<b>41 687</b>	<b>44 273</b>	<b>53 981</b>	<b>54 564</b>	<b>54 564</b>	<b>61 669</b>	<b>64 534</b>	<b>70 786</b>



**Table MBRR Table SA 23 - Salaries, allowances & benefits (political office bearers/ councilors/senior managers**

Disclosure of Salaries, Allowances & Benefits 1.	No. 10	Salary	Contrib.	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.			2.	3.
<b><u>Councillors</u></b>							
Speaker		313 675	73 130	145 263			532 068
Chief Whip		291 620	70 985	137 397			500 002
Executive Mayor		394 236	89 218	176 733			660 187
Deputy Executive Mayor							-
Executive Committee		338 632	60 649	153 993			553 274
Total for all other councillors		1 538 947	348 165	770 838			2 657 950
<b>Total Councillors</b>	<b>-</b>	<b>2 877 110</b>	<b>642 147</b>	<b>1 384 224</b>			<b>4 903 481</b>
<b><u>Senior Managers of the Municipality</u></b>							
Municipal Manager (MM)		596 700	147 263	194 400	50 000		988 363
Chief Finance Officer		410 503	113 551	155 520	50 000		729 574
Manager Corporate Services		410 503	121 654	144 000	50 000		726 157
Manager Technical Services		410 503	121 949	155 520	50 000		737 972
Manager Social Services		410 503	144 561	136 080	50 000		741 144
Manager Planning		410 503	144 561	136 080			691 144
<i>List of each official with packages &gt;= senior manager</i>							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
<b>Total Senior Managers of the Municipality</b>	<b>-</b>	<b>2 649 215</b>	<b>793 539</b>	<b>921 600</b>	<b>250 000</b>	<b>-</b>	<b>4 614 354</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>-</b>	<b>5 526 325</b>	<b>1 435 686</b>	<b>2 305 824</b>	<b>250 000</b>	<b>-</b>	<b>9 517 835</b>

**Table MBRR Table SA 24 - Summary of personnel numbers**

Summary of Personnel Numbers Number	2009/10			Current Year 2010/11			Budget Year 2011/12		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	16	3	13	18	3	15	18	3	15
Board Members of municipal entities									
<b>Municipal employees</b>									
Municipal Manager and Senior Managers	5	-	3	5	-	3	6	-	6
Other Managers	16	15	1	16	13	1	16	13	1
Professionals	-	-	-	-	-	-	-	-	-
<i>Finance</i>									
<i>Spatial/town planning</i>									
<i>Information Technology</i>									
<i>Roads</i>									
<i>Electricity</i>									
<i>Water</i>									
<i>Sanitation</i>									
<i>Refuse</i>									
<i>Other</i>									
Technicians	22	18	1	23	23	-	24	23	-
<i>Finance</i>	5	4	1	5	5	-	5	5	-
<i>Spatial/town planning</i>	-	-	-	-	-	-	-	-	-
<i>Information Technology</i>	1	1	-	1	1	-	1	1	-
<i>Roads</i>	3	3	-	3	3	-	3	3	-
<i>Electricity</i>	7	5	-	7	7	-	7	7	-
<i>Water</i>	4	3	-	5	5	-	6	5	-
<i>Sanitation</i>	2	2	-	2	2	-	2	2	-
<i>Refuse</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	14	14	-	15	14	-
Clerks (Clerical and administrative)	60	60	6	63	63	6	65	63	6
Service and sales workers									
Skilled agricultural and fishery workers	1	1	-	1	1	-	1	1	-
Craft and related trades	-	-	-	-	-	-	-	-	-
Plant and Machine Operators	50	50	-	50	50	-	50	50	-
Elementary Occupations	156	144	20	156	152	32	156	152	32
<b>TOTAL PERSONNEL NUMBERS</b>	<b>326</b>	<b>291</b>	<b>44</b>	<b>346</b>	<b>319</b>	<b>57</b>	<b>351</b>	<b>319</b>	<b>60</b>
% increase				6.1%	9.6%	29.5%	1.4%	-	5.3%
<b>Total municipal employees headcount</b>	<b>263</b>			<b>263</b>			<b>263</b>		
Finance personnel headcount	28	19	-	29	20	-	29	29	
Human Resources personnel headcount	5	5	-	5	5	-	5	5	-

**Table MBRR Table SA25 - Budgeted monthly revenue and expenditure**

Description R thousand	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue By Source</b>															
Property rates	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 523	16 870	17 747	18 811
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	5 800	5 500	5 300	5 300	5 300	5 200	5 200	5 300	5 300	5 300	5 400	5 870	64 770	71 287	78 496
Service charges - water revenue	2 108	2 108	2 108	2 108	2 108	2 108	2 108	2 108	2 108	2 108	2 108	2 109	25 300	27 830	30 613
Service charges - sanitation revenue	707	707	707	707	707	707	707	707	707	707	707	707	8 480	8 989	9 438
Service charges - refuse revenue	545	545	545	545	545	545	545	545	545	545	545	545	6 540	6 932	7 348
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	13	13	13	13	13	13	13	13	13	13	13	13	150	162	175
Interest earned - external investments	150	110	110	110	200	110	110	220	110	110	110	650	2 100	2 030	1 850
Interest earned - outstanding debtors	165	165	165	165	165	165	165	165	165	165	165	185	2 000	2 200	2 400
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	5	8	10	-	10	-	40	50	-	10	5	14	152	163	174
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 180	3 371
Transfers recognised - operational	18 941	-	2 000	5 000	16 901	1 651	-	16 901	-	-	-	(6 091)	55 302	59 426	63 302
Other revenue	190	210	300	300	150	200	150	180	200	180	150	110	2 320	2 479	2 648
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contri</b>	<b>30 268</b>	<b>11 011</b>	<b>12 903</b>	<b>15 893</b>	<b>27 743</b>	<b>12 344</b>	<b>10 683</b>	<b>27 833</b>	<b>10 793</b>	<b>10 783</b>	<b>10 848</b>	<b>5 885</b>	<b>186 985</b>	<b>202 425</b>	<b>218 626</b>
<b>Expenditure By Type</b>															
Employee related costs	5 148	5 148	5 148	5 148	5 148	5 148	5 148	5 148	5 148	5 148	5 148	5 041	61 669	64 534	70 786
Remuneration of councillors	405	405	405	405	405	448	405	405	405	405	405	405	4 903	5 198	5 717
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	4 000	4 000	4 500	5 000
Depreciation & asset impairment	2 980	2 980	2 980	2 980	2 980	2 980	2 980	2 980	2 980	2 980	2 980	2 970	35 750	37 894	40 158
Finance charges	26	26	151	26	26	151	26	26	151	26	26	151	806	826	846
Bulk purchases	6 500	5 000	5 000	4 000	3 800	3 800	3 500	4 000	4 000	4 500	5 000	6 460	55 560	63 494	72 543
Other materials	692	692	692	692	692	692	692	692	692	692	692	689	8 303	9 791	11 046
Contracted services	406	406	406	406	406	406	406	406	406	406	406	407	4 873	4 788	5 015
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	(1 839)	36 661	42 120	40 530
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>19 657</b>	<b>18 157</b>	<b>18 282</b>	<b>17 157</b>	<b>16 957</b>	<b>17 125</b>	<b>16 657</b>	<b>17 157</b>	<b>17 282</b>	<b>17 657</b>	<b>18 157</b>	<b>18 285</b>	<b>212 526</b>	<b>233 144</b>	<b>251 642</b>
<b>Surplus/(Deficit)</b>	<b>10 612</b>	<b>(7 146)</b>	<b>(5 379)</b>	<b>(1 264)</b>	<b>10 787</b>	<b>(4 781)</b>	<b>(5 974)</b>	<b>10 677</b>	<b>(6 489)</b>	<b>(6 874)</b>	<b>(7 309)</b>	<b>(12 399)</b>	<b>(25 542)</b>	<b>(30 719)</b>	<b>(33 016)</b>
Transfers recognised - capital	-	-	5 000	-	10 000	-	10 000	-	7 505	-	-	-	32 505	39 781	41 903
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10 612</b>	<b>(7 146)</b>	<b>(379)</b>	<b>(1 264)</b>	<b>20 787</b>	<b>(4 781)</b>	<b>4 026</b>	<b>10 677</b>	<b>1 016</b>	<b>(6 874)</b>	<b>(7 309)</b>	<b>(12 399)</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>10 612</b>	<b>(7 146)</b>	<b>(379)</b>	<b>(1 264)</b>	<b>20 787</b>	<b>(4 781)</b>	<b>4 026</b>	<b>10 677</b>	<b>1 016</b>	<b>(6 874)</b>	<b>(7 309)</b>	<b>(12 399)</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>

**Table MBRR Table SA 26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>															
<b>Revenue by Vote</b>															
Vote1 - Executive & Council	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	2 020	23 547	25 047	26 559
Vote2 - Financial Services	8 000	500	500	500	7 500	500	500	7 500	500	500	500	812	27 812	30 637	32 304
Vote3 - Corporate Services	790	3	4	4	3	4	6	6	4	7	5	5	840	852	953
Vote4 - Social Services	2 000	1 255	1 255	1 255	2 000	1 255	1 255	2 000	1 255	1 255	1 255	702	16 742	14 433	16 811
Vote5 - Technical Services	16 700	10 000	13 800	8 800	24 500	8 800	18 800	14 500	18 100	8 000	8 500	49	150 549	171 237	183 903
Example 6 - Vote6												-	-	-	-
Example 7 - Vote7												-	-	-	-
Example 8 - Vote8												-	-	-	-
Example 9 - Vote9												-	-	-	-
Example 10 - Vote10												-	-	-	-
Example 11 - Vote11												-	-	-	-
Example 12 - Vote12												-	-	-	-
Example 13 - Vote13												-	-	-	-
Example 14 - Vote14												-	-	-	-
Example 15 - Vote15												-	-	-	-
<b>Total Revenue by Vote</b>	<b>29 447</b>	<b>13 715</b>	<b>17 516</b>	<b>12 516</b>	<b>35 960</b>	<b>12 516</b>	<b>22 518</b>	<b>25 963</b>	<b>21 816</b>	<b>11 719</b>	<b>12 217</b>	<b>3 588</b>	<b>219 490</b>	<b>242 206</b>	<b>260 529</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote1 - Executive & Council	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 180	25 610	27 295	29 506
Vote2 - Financial Services	777	777	777	777	777	777	777	777	777	777	777	777	9 324	9 217	10 202
Vote3 - Corporate Services	927	927	927	927	927	927	927	927	927	927	927	923	11 120	10 252	10 957
Vote4 - Social Services	2 668	2 668	2 668	2 668	2 668	2 668	2 668	2 668	2 668	2 668	2 668	2 263	31 611	33 048	35 693
Vote5 - Technical Services	12 700	12 000	11 600	11 600	11 600	11 000	11 000	11 000	11 000	11 500	12 000	7 862	134 862	153 331	165 285
Example 6 - Vote6												-	-	-	-
Example 7 - Vote7												-	-	-	-
Example 8 - Vote8												-	-	-	-
Example 9 - Vote9												-	-	-	-
Example 10 - Vote10												-	-	-	-
Example 11 - Vote11												-	-	-	-
Example 12 - Vote12												-	-	-	-
Example 13 - Vote13												-	-	-	-
Example 14 - Vote14												-	-	-	-
Example 15 - Vote15												-	-	-	-
<b>Total Expenditure by Vote</b>	<b>19 202</b>	<b>18 502</b>	<b>18 102</b>	<b>18 102</b>	<b>18 102</b>	<b>17 502</b>	<b>17 502</b>	<b>17 502</b>	<b>17 502</b>	<b>18 002</b>	<b>18 502</b>	<b>14 004</b>	<b>212 526</b>	<b>233 144</b>	<b>251 642</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>10 245</b>	<b>(4 788)</b>	<b>(586)</b>	<b>(5 586)</b>	<b>17 858</b>	<b>(4 986)</b>	<b>5 016</b>	<b>8 461</b>	<b>4 314</b>	<b>(6 283)</b>	<b>(6 285)</b>	<b>(10 416)</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>
Taxation												-	-	-	-
Attributable to minorities												-	-	-	-
Share of surplus/ (deficit) of associate												-	-	-	-
<b>Surplus/(Deficit)</b>	<b>10 245</b>	<b>(4 788)</b>	<b>(586)</b>	<b>(5 586)</b>	<b>17 858</b>	<b>(4 986)</b>	<b>5 016</b>	<b>8 461</b>	<b>4 314</b>	<b>(6 283)</b>	<b>(6 285)</b>	<b>(10 416)</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>

**Table MBRR Table SA 27 - Budgeted monthly revenue and expenditure (standard classification)**

Description	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue - Standard</b>															
<i>Governance and administration</i>	10 037	2 537	2 537	2 537	9 537	2 537	2 537	9 537	2 537	2 537	2 537	2 915	52 322	56 670	59 962
Executive and council	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	1 957	2 020	23 547	25 047	26 559
Budget and treasury office	8 000	500	500	500	7 500	500	500	7 500	500	500	500	812	27 812	30 637	32 304
Corporate services	80	80	80	80	80	80	80	80	80	80	80	83	963	986	1 099
<i>Community and public safety</i>	2 576	2 645	2 646	2 526	2 501	2 500	2 502	2 502	2 526	2 526	2 526	(23 657)	4 319	1 731	3 334
Community and social services	2 425	2 425	2 425	2 425	2 425	2 425	2 425	2 425	2 425	2 425	2 425	(23 765)	2 910	245	259
Sport and recreation	1		1	1	1		2	2	1	1	1	1	11	12	1 512
Public safety	150	220	220	100	75	75	75	75	100	100	100	108	1 398	1 475	1 563
Housing												-	-	-	-
Health												-	-	-	-
<i>Economic and environmental services</i>	427	427	427	427	4 828	427	427	427	427	427	427	427	9 526	23 281	5 667
Planning and development	156	156	156	156	156	156	156	156	156	156	156	157	1 874	1 932	2 110
Road transport	271	271	271	271	4 672	271	271	271	271	271	271	271	7 653	21 349	3 557
Environmental protection												-	-	-	-
<i>Trading services</i>	15 312	10 312	10 312	10 012	13 512	10 012	25 812	13 512	20 312	10 312	10 312	3 591	153 323	160 524	191 567
Electricity	8 000	6 800	6 800	5 500	8 000	5 500	5 500	8 000	6 800	6 800	6 800	694	75 194	84 712	88 916
Water	4 000	2 000	2 000	3 000	4 000	3 000	7 000	4 000	3 200	2 000	2 000	1 963	38 163	34 022	45 722
Waste water management	2 500	700	700	700	700	700	12 500	700	9 500	700	700	607	30 707	32 443	47 009
Waste management	812	812	812	812	812	812	812	812	812	812	812	327	9 259	9 347	9 920
<i>Other</i>												-	-	-	-
<b>Total Revenue - Standard</b>	<b>28 352</b>	<b>15 921</b>	<b>15 922</b>	<b>15 502</b>	<b>30 378</b>	<b>15 476</b>	<b>31 278</b>	<b>25 978</b>	<b>25 802</b>	<b>15 802</b>	<b>15 802</b>	<b>(16 724)</b>	<b>219 490</b>	<b>242 206</b>	<b>260 529</b>
<b>Expenditure - Standard</b>															
<i>Governance and administration</i>	3 842	3 842	3 842	3 842	3 842	3 842	3 842	3 842	3 842	3 842	3 842	3 900	46 162	46 878	50 788
Executive and council	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 180	25 610	27 295	29 506
Budget and treasury office	777	777	777	777	777	777	777	777	777	777	777	777	9 324	9 217	10 202
Corporate services	935	935	935	935	935	935	935	935	935	935	935	944	11 229	10 366	11 080
<i>Community and public safety</i>	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 408	17 128	18 214	19 568
Community and social services	890	890	890	890	890	890	890	890	890	890	890	905	10 695	11 372	12 166
Sport and recreation	420	420	420	420	420	420	420	420	420	420	420	420	5 034	5 367	5 839
Public safety	120	120	120	120	120	120	120	120	120	120	120	82	1 398	1 475	1 563
Housing												-	-	-	-
Health												-	-	-	-
<i>Economic and environmental services</i>	2 867	2 867	2 867	2 867	2 867	2 867	2 867	2 867	2 867	2 867	2 867	2 870	34 407	37 314	40 868
Planning and development	352	352	352	352	352	352	352	352	352	352	352	353	4 225	4 516	4 951
Road transport	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 515	2 517	30 182	32 799	35 917
Environmental protection												-	-	-	-
<i>Trading services</i>	10 842	10 142	9 642	9 642	9 642	9 642	9 642	9 942	9 942	9 942	10 142	5 667	114 829	130 738	140 417
Electricity	7 200	6 500	6 000	6 000	6 000	6 000	6 000	6 300	6 300	6 300	6 500	2 394	71 494	84 289	90 741
Water	2 166	2 166	2 166	2 166	2 166	2 166	2 166	2 166	2 166	2 166	2 166	2 166	25 992	28 642	30 493
Waste water management	753	753	753	753	753	753	753	753	753	753	753	753	9 036	9 559	10 232
Waste management	723	723	723	723	723	723	723	723	723	723	723	355	8 308	8 248	8 951
<i>Other</i>												-	-	-	-
<b>Total Expenditure - Standard</b>	<b>18 980</b>	<b>18 280</b>	<b>17 780</b>	<b>17 780</b>	<b>17 780</b>	<b>17 780</b>	<b>17 780</b>	<b>18 080</b>	<b>18 080</b>	<b>18 080</b>	<b>18 280</b>	<b>13 845</b>	<b>212 526</b>	<b>233 144</b>	<b>251 642</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>9 372</b>	<b>(2 359)</b>	<b>(1 858)</b>	<b>(2 278)</b>	<b>12 598</b>	<b>(2 304)</b>	<b>13 498</b>	<b>7 898</b>	<b>7 722</b>	<b>(2 278)</b>	<b>(2 478)</b>	<b>(30 569)</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>
Share of surplus/ (deficit) of associate												-	-	-	-
<b>Surplus/(Deficit)</b>	<b>9 372</b>	<b>(2 359)</b>	<b>(1 858)</b>	<b>(2 278)</b>	<b>12 598</b>	<b>(2 304)</b>	<b>13 498</b>	<b>7 898</b>	<b>7 722</b>	<b>(2 278)</b>	<b>(2 478)</b>	<b>(30 569)</b>	<b>6 964</b>	<b>9 062</b>	<b>8 887</b>

**Table MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description R thousand	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Multi-year expenditure to be appropriated</b>															
Vote1 - Executive & Council												-	-	-	-
Vote2 - Financial Services												-	-	-	-
Vote3 - Corporate Services												-	-	-	-
Vote4 - Social Services				500	1 500		680					-	2 680	-	-
Vote5 - Technical Services			1 500	5 000	9 583	3 000	3 300	5 617	1 973			-	29 973	28 127	33 903
Example 6 - Vote6												-	-	-	-
Example 7 - Vote7												-	-	-	-
Example 8 - Vote8												-	-	-	-
Example 9 - Vote9												-	-	-	-
Example 10 - Vote10												-	-	-	-
Example 11 - Vote11												-	-	-	-
Example 12 - Vote12												-	-	-	-
Example 13 - Vote13												-	-	-	-
Example 14 - Vote14												-	-	-	-
Example 15 - Vote15												-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	-	1 500	5 500	11 083	3 000	3 980	5 617	1 973	-	-	-	32 653	28 127	33 903
<b>Single-year expenditure to be appropriated</b>															
Vote1 - Executive & Council												-	-	-	-
Vote2 - Financial Services		10										-	10	-	-
Vote3 - Corporate Services												-	-	-	-
Vote4 - Social Services												-	-	-	1 500
Vote5 - Technical Services		57	200	150	245							-	652	21 654	13 500
Example 6 - Vote6												-	-	-	-
Example 7 - Vote7												-	-	-	-
Example 8 - Vote8												-	-	-	-
Example 9 - Vote9												-	-	-	-
Example 10 - Vote10												-	-	-	-
Example 11 - Vote11												-	-	-	-
Example 12 - Vote12												-	-	-	-
Example 13 - Vote13												-	-	-	-
Example 14 - Vote14												-	-	-	-
Example 15 - Vote15												-	-	-	-
<b>Capital single-year expenditure sub-total</b>	-	67	200	150	245	-	-	-	-	-	-	-	662	21 654	15 000
<b>Total Capital Expenditure</b>	-	67	1 700	5 650	11 328	3 000	3 980	5 617	1 973	-	-	-	33 315	49 781	48 903

**Table MBRR Table SA 29 - Budgeted monthly capital expenditure (standard classification)**

Description R thousand	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Capital Expenditure - Standard</b>															
<i>Governance and administration</i>	-	10	-	-	-	-	-	-	-	-	-	-	10	-	-
Executive and council													-	-	-
Budget and treasury office		10											10	-	-
Corporate services													-	-	-
<i>Community and public safety</i>	-	-	-	500	1 500	-	680	-	-	-	-	-	2 680	-	1 500
Community and social services				500	1 500		680						2 680	-	-
Sport and recreation													-	-	1 500
Public safety													-	-	-
Housing													-	-	-
Health													-	-	-
<i>Economic and environmental services</i>	-	57	500	1 000	2 500	500	789	-	-	-	-	(0)	5 346	17 994	-
Planning and development		57											57	-	-
Road transport			500	1 000	2 500	500	789						(0)	5 289	17 994
Environmental protection													-	-	-
<i>Trading services</i>	-	-	1 200	4 150	7 328	2 500	2 511	5 617	1 973	-	-	0	25 280	31 787	47 403
Electricity			200	150	245								-	595	13 660
Water				1 500	3 083	1 000	1 000	691				0	7 274	-	8 507
Waste water management			1 000	2 500	4 000	1 500	1 511	4 926	1 973			(0)	17 410	18 127	31 896
Waste management													-	-	-
<i>Other</i>													-	-	-
<b>Total Capital Expenditure - Standard</b>	-	67	1 700	5 650	11 328	3 000	3 980	5 617	1 973	-	-	(0)	33 315	49 781	48 903

**Table MBRR Table SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Cash Receipts By Source</b>													1		
Property rates	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 371	15 183	15 972	16 930
Property rates - penalties & collection charges												-			
Service charges - electricity revenue	5 452	5 170	4 982	4 982	4 982	4 888	4 888	4 982	4 982	4 982	5 076	5 518	60 884	67 010	73 786
Service charges - water revenue	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 898	22 770	25 047	27 552
Service charges - sanitation revenue	636	636	636	636	636	636	636	636	636	636	636	637	7 632	8 090	8 494
Service charges - refuse revenue	491	491	491	491	491	491	491	491	491	491	491	491	5 886	6 239	6 614
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-			
Rental of facilities and equipment	13	13	13	13	13	13	13	13	13	13	13	13	150	162	175
Interest earned - external investments	150	110	110	110	200	110	110	220	110	110	110	650	2 100	2 030	1 850
Interest earned - outstanding debtors	165	165	165	165	165	165	165	165	165	165	165	185	2 000	2 200	2 400
Dividends received													-	-	-
Fines	5	8	10		10		40	50		10	5	14	152	163	174
Licences and permits													-	-	-
Agency services	250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 180	3 371
Transfer receipts - operational	18 941		2 000	5 000	16 901	1 651		16 901				(6 091)	55 302	59 426	63 302
Other revenue	190	210	300	300	150	200	150	180	200	180	150	110	2 320	2 479	2 648
<b>Cash Receipts by Source</b>	<b>29 445</b>	<b>10 205</b>	<b>12 109</b>	<b>15 099</b>	<b>26 950</b>	<b>11 556</b>	<b>9 895</b>	<b>27 040</b>	<b>9 999</b>	<b>9 989</b>	<b>10 048</b>	<b>5 045</b>	<b>177 379</b>	<b>191 998</b>	<b>207 296</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital			5 000		10 000		10 000		7 505			0	32 505	39 781	41 903
Contributions recognised - capital & Contributed assets															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (Increase) in non-current debtors															
Decrease (Increase) other non-current receivables															
Decrease (Increase) in non-current investments											195	-	195		
<b>Total Cash Receipts by Source</b>	<b>29 445</b>	<b>10 205</b>	<b>17 109</b>	<b>15 099</b>	<b>36 950</b>	<b>11 556</b>	<b>19 895</b>	<b>27 040</b>	<b>17 504</b>	<b>9 989</b>	<b>10 243</b>	<b>5 045</b>	<b>210 080</b>	<b>231 779</b>	<b>249 198</b>
<b>Cash Payments by Type</b>															
Employee related costs	5 148	5 148	5 148	5 148	5 148	5 148	5 148	5 148	5 148	5 148	5 148	5 041	61 669		
Remuneration of councillors	405	405	405	405	405	448	405	405	405	405	405	405	4 903		
Collection costs															
Interest paid	26	26	151	26	26	151	26	26	151	26	26	151	806		
Bulk purchases - Electricity	6 000	4 500	4 500	3 500	3 300	3 300	3 000	3 500	3 500	4 000	4 500	5 960	49 560		
Bulk purchases - Water & Sewer	500	500	500	500	500	500	500	500	500	500	500	500	6 000		
Other materials	692	692	692	692	692	692	692	692	692	692	692	689	8 303		
Contracted services	406	406	406	406	406	406	406	406	406	406	406	407	4 873		
Grants and subsidies paid - other municipalities															
Grants and subsidies paid - other															
General expenses	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	(1 839)	36 661		
<b>Cash Payments by Type</b>	<b>16 677</b>	<b>15 177</b>	<b>15 302</b>	<b>14 177</b>	<b>13 977</b>	<b>14 145</b>	<b>13 677</b>	<b>14 177</b>	<b>14 302</b>	<b>14 677</b>	<b>15 177</b>	<b>11 314</b>	<b>172 776</b>	<b>-</b>	<b>-</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets			67	1 700	5 650	11 328	3 000	3 980	5 617	1 973	-	(33 315)			
Repayment of borrowing			121			121			121		121	(485)			
Other Cash Flows/Payments											195	(195)			
<b>Total Cash Payments by Type</b>	<b>16 677</b>	<b>15 177</b>	<b>15 490</b>	<b>15 877</b>	<b>19 627</b>	<b>25 594</b>	<b>16 677</b>	<b>18 157</b>	<b>20 040</b>	<b>16 650</b>	<b>15 493</b>	<b>(22 681)</b>	<b>172 776</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>12 768</b>	<b>(4 972)</b>	<b>1 619</b>	<b>(778)</b>	<b>17 323</b>	<b>(14 038)</b>	<b>3 218</b>	<b>8 883</b>	<b>(2 536)</b>	<b>(6 661)</b>	<b>(5 250)</b>	<b>27 726</b>	<b>37 304</b>	<b>231 779</b>	<b>249 198</b>
Cash/cash equivalents at the month/year begin:	3 100	15 868	10 896	12 516	11 738	29 061	15 023	18 241	27 124	24 588	17 928	12 678	3 100	40 404	272 183
Cash/cash equivalents at the month/year end:	15 868	10 896	12 516	11 738	29 061	15 023	18 241	27 124	24 588	17 928	12 678	40 404	40 404	272 183	521 381



**Table MBRR Table SA 33 - Contracts having future budgetary implications**

Description	Preceding Years	Current Year 2010/11	2011/12 Medium Term Revenue & Expenditure Framework			Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Total Contract Value
	Total	Original Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
<b>Parent Municipality:</b>													
<b><u>Revenue Obligation By Contract</u></b>													
ANT Venture CC	24	24	28	32	37								144
Mr and Mrs Beukes	46	55	55	55	14								226
ML Makau	14	16	16	16	3								66
WL Botes	5	6	6	6	2								26
CC Laurens	41	49	49	49	12								200
													-
<b>Total Operating Revenue Implication</b>	130	151	155	159	67	-	-	-	-	-	-	-	662
<b><u>Expenditure Obligation By Contract</u></b>													
Renoni Security Services	979	979											1 958
MRK Security Services	1 369	1 506											2 875
Technologies Acceptance	348	348											695
<b>Total Operating Expenditure Implication</b>	2 696	2 833	-	-	-	-	-	-	-	-	-	-	5 529
<b><u>Capital Expenditure Obligation By Contract</u></b>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
<b>Total Capital Expenditure Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>	2 696	2 833	-	-	-	-	-	-	-	-	-	-	5 529

**Table MBRR Table SA 34a - Capital expenditure on new assets by asset class**

Description R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	12 294	32 843	23 525	34 494	31 572	31 572	5 884	13 660	–
Infrastructure - Road transport	2 318	14 238	13 964	10 970	11 475	11 475	5 289	–	–
Roads, Pavements & Bridges	2 318	14 238	13 964	9 750	9 435	9 435	5 289	–	–
Storm water				1 220	2 040	2 040			
Infrastructure - Electricity	1 504	4 241	280	5 000	3 370	3 370	595	13 660	–
Generation					–	–			
Transmission & Reticulation	1 504	4 241	280	5 000	2 572	2 572	595	13 660	
Street Lighting					798	798			
Infrastructure - Water	2 984	3 915	2 644	10 806	5 892	5 892	–	–	–
Dams & Reservoirs				10 806	5 192	5 192			
Water purification					–	–			
Reticulation	2 984	3 915	2 644		700	700			
Infrastructure - Sanitation	5 488	10 448	6 388	7 479	10 596	10 596	–	–	–
Reticulation				4 126	4 476	4 476			
Sewerage purification	5 488	10 448	6 388	3 353	6 121	6 121			
Infrastructure - Other	–	–	249	240	240	240	–	–	–
Waste Management				240	240	240			
Transportation					–	–			
Gas					–	–			
Other			249		–	–			
<b>Community</b>	1 955	968	449	188	728	728	2 680	–	1 500
Parks & gardens	468				98	98			1 500
Sportsfields & stadia				88	–	–			
Swimming pools					–	–			
Community halls	1 487		449		–	–	2 680		
Libraries					–	–			
Recreational facilities		145			–	–			
Fire, safety & emergency		87			–	–			
Security and policing					–	–			
Buses					–	–			
Clinics					–	–			
Museums & Art Galleries					–	–			
Cemeteries				100	100	100			
Social rental housing									
Other		736			530	530			
<b>Heritage assets</b>	–	–	–	–	–	–	–	–	–
Buildings									
Other									
<b>Investment properties</b>	–	–	–	–	–	–	–	–	–
Housing development									
Other									
<b>Other assets</b>	1 438	368	1 281	2 858	2 093	2 093	67	–	–
General vehicles		160	557	440	767	767			
Specialised vehicles									
Plant & equipment	8	66	505	1 910	714	714			
Computers - hardware/equipment	532	90		20	20	20	20		
Furniture and other office equipment	445	51	219	338	442	442	47		
Abattoirs					–	–			
Markets					–	–			
Civic Land and Buildings					–	–			
Other Buildings				150	150	150			
Other Land					–	–			
Surplus Assets - (Investment or Inventory)					–	–			
Other	454				–	–			
<b>Agricultural assets</b>	–	–	–	–	–	–	–	–	–
List sub-class									
<b>Biological assets</b>	–	–	–	–	–	–	–	–	–
List sub-class									
<b>Intangibles</b>	–	–	308	3 000	3 000	3 000	–	–	–
Computers - software & programming			308	3 000	3 000	3 000			
Other (list sub-class)									
<b>Total Capital Expenditure on new assets</b>	<b>15 687</b>	<b>34 179</b>	<b>25 563</b>	<b>40 539</b>	<b>37 392</b>	<b>37 392</b>	<b>8 631</b>	<b>13 660</b>	<b>1 500</b>

**Table MBRR Table SA 34b - Capital expenditure on the renewal of existing assets by asset class**

Description R thousand	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	-	-	-	-	-	24 684	36 121	47 403
Infrastructure - Road transport	-	-	-	-	-	-	-	17 994	-
Roads, Pavements & Bridges								17 994	
Storm water									
Infrastructure - Electricity	-	-	-	-	-	-	-	-	7 000
Generation									
Transmission & Reticulation									7 000
Street Lighting									
Infrastructure - Water	-	-	-	-	-	-	7 274	-	8 507
Dams & Reservoirs							7 274		8 507
Water purification									
Reticulation									
Infrastructure - Sanitation	-	-	-	-	-	-	17 410	18 127	31 896
Reticulation									
Sewerage purification							17 410	18 127	31 896
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management									
Transportation									
Gas									
Other									
<b>Community</b>	-	-	-	-	-	-	-	-	-
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Buildings									
Other									
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development									
Other									
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
General vehicles									
Specialised vehicles									
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-
List sub-class									
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
List sub-class									
<b>Intangibles</b>	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other (list sub-class)									
<b>Total Capital Expenditure on renewal of existing assets</b>	-	-	-	-	-	-	24 684	36 121	47 403

**Table MBRR Table SA34c - Repair and maintenance expenditure by asset class**

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>1 973</b>	<b>2 090</b>	<b>4 986</b>	<b>4 815</b>	<b>4 628</b>	<b>4 628</b>	<b>5 733</b>	<b>6 801</b>	<b>7 754</b>
Infrastructure - Road transport	437	441	997	1 000	1 308	1 308	1 500	2 000	2 500
Roads, Pavements & Bridges	437	441	997	1 000	1 308	1 308	1 500	2 000	2 500
Storm water									
Infrastructure - Electricity	1 081	892	1 480	1 207	1 117	1 117	1 234	1 357	1 641
Generation									
Transmission & Reticulation	1 005	843	1 407	1 100	1 060	1 060	1 166	1 283	1 552
Street Lighting	76	50	73	107	57	57	68	75	89
Infrastructure - Water	305	615	2 240	2 150	1 856	1 856	2 500	2 900	3 020
Dams & Reservoirs	36	49		150	450	450	200	300	320
Water purification									
Reticulation	269	566	2 240	2 000	1 406	1 406	2 300	2 600	2 700
Infrastructure - Sanitation	150	141	269	458	348	348	499	544	593
Reticulation									
Sewerage purification	150	141	269	458	348	348	499	544	593
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management									
Transportation									
Gas									
Other									
<b>Community</b>	<b>101</b>	<b>204</b>	<b>140</b>	<b>271</b>	<b>271</b>	<b>271</b>	<b>283</b>	<b>297</b>	<b>318</b>
Parks & gardens									
Sportsfields & stadia	93	204	126	223	223	223	236	250	265
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other	8		14	49	49	49	47	47	53
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings									
Other									
<b>Other assets</b>	<b>777</b>	<b>1 306</b>	<b>1 404</b>	<b>2 085</b>	<b>1 936</b>	<b>1 936</b>	<b>2 291</b>	<b>2 696</b>	<b>2 978</b>
General vehicles									
Specialised vehicles									
Plant & equipment	226	725	483	613	505	505	729	825	894
Computers - hardware/equipment									
Furniture and other office equipment	148	75	189	242	220	220	260	276	285
Abattoirs									
Markets									
Civic Land and Buildings	287	353	218	415	345	345	387	594	708
Other Buildings									
Other Land	51		403	580	680	680	615	652	691
Surplus Assets - (Investment or Inventory)									
Other	66	154	111	235	185	185	300	350	400
<b>Agricultural assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class									
<b>Biological assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class									
<b>Intangibles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming									
Other (list sub-class)									
<b>Total Repairs and Maintenance Expenditure</b>	<b>2 851</b>	<b>3 600</b>	<b>6 529</b>	<b>7 171</b>	<b>6 835</b>	<b>6 835</b>	<b>8 306</b>	<b>9 794</b>	<b>11 049</b>

**Table MBRR Table SA 35 - Future financial implications of the Capital budget**

Vote Description R thousand	2011/12 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Present value
<b>Capital expenditure</b>							
Vote1 - Executive & Council	-	-	-				
Vote2 - Financial Services	10	-	-				
Vote3 - Corporate Services	-	-	-				
Vote4 - Social Services	2 680	-	1 500				
Vote5 - Technical Services	30 625	49 781	47 403				
Example 6 - Vote6	-	-	-				
Example 7 - Vote7	-	-	-				
Example 8 - Vote8	-	-	-				
Example 9 - Vote9	-	-	-				
Example 10 - Vote10	-	-	-				
Example 11 - Vote11	-	-	-				
Example 12 - Vote12	-	-	-				
Example 13 - Vote13	-	-	-				
Example 14 - Vote14	-	-	-				
Example 15 - Vote15	-	-	-				
<i>List entity summary if applicable</i>							
<b>Total Capital Expenditure</b>	<b>33 315</b>	<b>49 781</b>	<b>48 903</b>	-	-	-	-
<b>Future operational costs by vote</b>							
Vote1 - Executive & Council							
Vote2 - Financial Services							
Vote3 - Corporate Services							
Vote4 - Social Services							
Vote5 - Technical Services							
Example 6 - Vote6							
Example 7 - Vote7							
Example 8 - Vote8							
Example 9 - Vote9							
Example 10 - Vote10							
Example 11 - Vote11							
Example 12 - Vote12							
Example 13 - Vote13							
Example 14 - Vote14							
Example 15 - Vote15							
<i>List entity summary if applicable</i>							
<b>Total future operational costs</b>	-	-	-	-	-	-	-
<b>Future revenue by source</b>							
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
<i>List other revenues sources if applicable</i>							
<i>List entity summary if applicable</i>							
<b>Total future revenue</b>	-	-	-	-	-	-	-
<b>Net Financial Implications</b>	<b>33 315</b>	<b>49 781</b>	<b>48 903</b>	-	-	-	-

**Table MBRR Table SA 36 - Detailed capital budget**

Municipal Vote/Capital project							Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	Program/Project description	Project number	IDP Goal code 3.	Asset Class 4.	Asset Sub-Class 4.	Total Project Estimate	Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>													
				<i>Examples</i>	<i>Examples</i>								
231 - Municipal Buildings	Mabatlane market stalls	LED09	Q	<i>Land and building</i>	<i>Building</i>	1 000		140	860				New
	Modimolle market stalls	LED08	Q	<i>Land and building</i>	<i>Building</i>	2 000		180	1 820				New
240 - Parks and Recreation	Development of Mabaleng Park	PAK17	Q	<i>Community</i>	<i>Parks &amp; gardens</i>	400					400		New
	Development of Mabatlane Park	PAK18	Q	<i>Community</i>	<i>Parks &amp; gardens</i>	550					550		New
	Development of Phagameng Park	PAK19	Q	<i>Community</i>	<i>Parks &amp; gardens</i>	550					550		New
256 - Budget and Treasury	Safe at Mabaleng office	FIN01	K	<i>Other</i>	<i>Office equipment</i>	10			10				New
262 - Public Works	Joe Slovo Bridge	ROA21	G	<i>Infrastructure - Road transport</i>	<i>Bridges</i>	8 000		4 195	2 909				Renewal
	Leseding Taxi Rank	ROA03	G	<i>Community asset</i>	<i>Building</i>	1 790		210	1 580				New
	Meininger Street	ROA04	G	<i>Infrastructure - Road transport</i>	<i>Roads</i>	1 600		805	800				Renewal
	Limpopo Steet upgrading of Low Level Bridge	ROA20	G	<i>Infrastructure - Road transport</i>	<i>Bridges</i>	5 000				5 000			Renewal
	Paving of Street in Mabatlane Town	ROA19	G	<i>Infrastructure - Road transport</i>	<i>Paving</i>	7 500				7 500			Renewal
	Modimolle Stormwater Management	ROA22	G	<i>Infrastructure - Road transport</i>	<i>Storm water</i>	5 494				5 494			Renewal
267 - PROJECT MANAGEMENT UNIT	Computers	PMU02	G	<i>Other</i>	<i>Computer equipment</i>	20			20				New
	Furniture	PMU01	G	<i>Other</i>	<i>Furniture</i>	37			37				New
270 - Sewer	Mabatlane Sewer Reticulation	WAT05	G	<i>Infrastructure - Sanitation</i>	<i>Sewer reticulation</i>	5 130			5 100				Renewal
	Modimolle Waste Water Treatment Works	WAT08	G	<i>Infrastructure - Sanitation</i>	<i>Sewer reticulation</i>	46 548			12 310	18 127	18 396		Renewal
	Mabaleng Waste Water Treatment Works (Package Plant)	WAT09	G	<i>Infrastructure - Sanitation</i>	<i>Sewerage purification</i>	1 000					1 000		New
	Mabatlane Waste Water Treatment Works (Package Plant)	WAT10	G	<i>Infrastructure - Sanitation</i>	<i>Sewerage purification</i>	12 500					12 500		New
276 - Electrotechnical	Phagameng Ext 9 Streettlight	ELE11	G	<i>Infrastructure - Electricity</i>	<i>Street Lighting</i>	298			298	900			New
	Phagameng Ext 11 Streettlight	ELE07	G	<i>Infrastructure - Electricity</i>	<i>Street Lighting</i>	298			298	600			New
	Phagameng Ext. 7 Streettlight	ELE08	G	<i>Infrastructure - Electricity</i>	<i>Street Lighting</i>	900				900			New
	Phagameng Ext. 10 Streettlight	ELE10	G	<i>Infrastructure - Electricity</i>	<i>Street Lighting</i>	900				900			New
	Mabatlane Street lighting Ext 4	ELE09	G	<i>Infrastructure - Electricity</i>	<i>Street Lighting</i>	300				300			New
	Modimolle Street lighting	ELE12	G	<i>Infrastructure - Electricity</i>	<i>Street Lighting</i>	60				60			New
	Modimolle	ELE02	G	<i>Infrastructure - Electricity</i>	<i>Transmission &amp; Reticulation</i>	17 000				10 000	7 000		Renewal
280 - Water	Donkerpoort Water Works Upgrade Phase 1	WAT11	G	<i>Infrastructure - Water</i>	<i>Water purification</i>	14 368		5 192	7 274				Renewal
	Donkerpoort Water Works Upgrade Phase 2	WAT12	G	<i>Infrastructure - Water</i>	<i>Water purification</i>	17 000					8 507		Renewal
Total Capital expenditure									33 315	49 781	48 903		

### **Part 3 – SUPPORTING DOCUMENTS**

#### **1. OVERVIEW OF THE ANNUAL BUDGET PROCESS**

In undertaking its annual budget process, ModimolleLocalMunicipality was guided by the following key legislation and documents:

- Municipal Finance Management Act;
- Municipal Systems Act;
- The National Spatial Development Framework; and
- The Limpopo Provincial Government and Development Strategy.
- National Treasury Circular 54.

The municipality is always conscious of the fact the IDP, Budget and other consultative processes have to be undertaken with credibility and honesty in order to ensure good governance and accountability. The municipality engaged its various stakeholders in preparing this 2011/12 MTREF budget, including the communities in all the eight (8) wards, the local Chamber of Commerce and national and provincial government departments. These stakeholders are diverse and included local SMMEs, formal businesses, street vendors, agricultural and mining communities as well as ordinary members of our communities.

ModimolleLocalMunicipality engaged in the IDP and Budget processes as one process. The objective was to strengthen the synergy between the IDP and the Budget to ensure that they are consistent and linked. This new process had some hiccups but these will be addressed as more experience is gained in this initiative. From these community participation and consultation processes, the municipality identified and prioritised the needs of the communities. As is almost always the case in any budget process, some priorities were identified that could not be funded in the 2011/12 financial year. These priorities and their related programmes/ projects were then included in the medium term IDP for funding consideration once additional funding becomes available, currently or in the future years.

In all these public consultation and participation process, including internal prioritisation and negotiation processes, the Mayor played an active oversight role over the IDP and Budget as required by Section 53(1) (a) of the MFMA, which states that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. Under the guidance of the Mayor, engagements were also held over a number of days with the Councillors in the budget and prioritisation processes. The table below is an extract of the key deadlines relating to the Budget and IDP processes as required by Section 21(1) (b) of the Municipal Finance Management Act, 2003.

**Table - Summary of key deadlines in the budget and IDP process**

<b>Processes and activities</b>	<b>Responsibility</b>	<b>Date</b>
Table and approval of 2010/11 adjustment budget to Council	Mayor	28 Feb 2011
Tabling of 2011/12 budget	Mayor, Council	28 Feb 2011
Submission of tabled budget to National and Provincial Treasuries	MM	4 March 2011
Public hearings on budget, IDP and budget policies	Mayor	1 March – 31 March 2011
Approval of 2011/12 IDP, budget and budget policies	Council	30 April 2011
Submission of draft SDBIP and draft performance agreements of Snr Managers to Mayor	MM	14 May 2011
Approval of SDBIP and performance agreements of Snr Managers	Mayor	28 May 2011
Submission of approved budget, IDP, SDBIP and performance agreements to National and Provincial Treasuries and other interested parties	MM	14 June 2011

## **2. OVERVIEW OF ALIGNMENT OF BUDGET WITH INTEGRATED DEVELOPMENT PLAN**

In reviewing the IDP and preparing the 2011/12 MTREF, public consultations were conducted with various stakeholders in order to identify their needs and priorities. As mentioned in the preceding section, the municipality collated the information and prioritized the needs. When determining the available funding against the needs and projects, due consideration was given to the operating expenditure implications for the capital projects over the lifespan of the projects. The discussion below outlines the priorities and emanating from the budget and consultation process.

The strategic priorities and goals of the municipality were identified as follows, in order of importance:

- ***Attract, develop and retain human capital***
  - Improve well being of the community
  - Improve employee satisfaction
  - Increased productivity
  - Improved service delivery
- ***Plan for the Future***
  - Well planned and structured development patterns
  - Strategic utilisation of municipal land
- ***Resource managed infrastructure and services for access and mobility***
  - Increase accessibility to basic services



- ***Develop & implement policies & governance systems:***
  - Improved good governance
  - Improved customer services
  - Improved decision making
- ***Improve financial viability***
  - Improve revenue base
  - Reduce municipal outstanding debtors
  - Improved AG report
- ***Promote and encourage sustainable economic development***
  - Jobs created and reduced unemployment
  - Reduced poverty
  - Economy growth
- ***Promote the welfare of the community***
  - A healthy and self-driven society

These priorities are not static but will change at different points in time over the long term, but within the prescripts of the objects of local government as contained in Section 152(1) and (2) of the Constitution.

### **3. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS**

The measurable performance indicators and objectives for revenue and expenditure (both capital and operating) are contained in the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality and the Section 57 (Municipal Systems Act) managers. The SDBIP has been designed such that it gives effect to the implementation of the budget, with quarterly performance targets. The SDBIP will be submitted to the Mayor immediately after the budget has been approved. The timeframes as contained in Section 53(1) (c) of the MFMA will be complied with.

The key financial indicators and ratios are contained in Supporting Table 8.

#### **4. DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT**

##### **4.1 Water Service Authority and Water Service Provider**

Modimolle local Municipality is the Water Service Authority in conjunction with Magalies Water as the Water Service Provider. Modimolle Municipality manages the water and waste water schemes. Magalies water only provides bulk water services to Modimolle.

##### **4.2 Blue and Green Drop Rating**

The Blue Drop rating for Donkerpoort scheme is standing at 39% and another assessment is scheduled for 25<sup>th</sup> February 2011. Areas that need more attention are the classification of our process controller skills and qualifications, water quality analysis and ageing infrastructure.

The Green Drop rating is currently at 9% and we are awaiting the assessment result that was done in November 2010. Areas that need attention includes the following process controller skills and qualifications, ageing infrastructure and shortage of skilled artisans (fitter and turner)

##### **4.3 Water Safety Plan**

The water safety plan is being reviewed annually and items that need attention are being included in the budget.

##### **4.4 Challenges with regards to management of drinking water and waste water Ageing infrastructure**

Skills and qualifications of our process.  
Water quality analysis instruments.  
Budget constraints.

#### **5. OVERVIEW OF BUDGET RELATED POLICIES**

The municipality has come to the realisation that for the budget to be credible and balanced, it must be supported by policies that guide the revenue and expenditure estimates. ModimolleLocalMunicipality aims to deliver services that are affordable to its communities. To ensure this, the budget related policies have been reviewed, and other policies are in the process of review, to take the socio-economic realities of the communities into account. This reality, however, is balanced with the realisation that the municipality must be financially sustainable. The policies that have been reviewed are the Investment, Supply Chain Management and Asset Management Policies.

#### **6. OVERVIEW OF BUDGET ASSUMPTIONS**

In MFMA Circular 54, the National Treasury has cautioned municipalities to prepare budgets within the context of the economic crises that are felt everywhere in the globe. Some of the economic crises that will impact on the budget are slow growth in the local economy of the municipality, shrinking employment and declining income levels. These factors, in turn, will impact on the demand for and affordability of municipal services. The budget has to be responsive to the needs of the community but also structured in such a manner that it facilitates local economic development and job creation. Three factors are very important in this regard, namely;

- The municipality must collect all revenue due from those households and members of the community who can afford to pay for the municipal services they receive but refuse, or ignore, to do so;
- The municipality must exercise financial discipline avoid unnecessary, nice-to-have expenditure; and
- The municipality must effectively utilise its assets, making the assets to sweat as reflected by the ratio of operating income to assets, particularly the income generating assets. This has been balanced with increased budget on repairs and maintenance to ensure that the infrastructure assets are maintained at higher levels.

This budget has been prepared based on the following assumptions:

**Table - Budget assumptions**

Financial year	2009/10 Actual	2010/11 Estimate	2011/12	2012/13	2013/14
Headline CPI inflation		5.7%	4.9%	5.5%	5.9%
Revenue collection rate			90%	92%	95%
Salaries (LGBA)	13%	8%	8%	8%	8%

In its MFMA Circular 54, National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as practically possible. Given that NERSA has released its guideline on municipal electricity price increases for 2011/12 of **20.38%** and that Magalies Water indicated an increase to its bulk water tariffs by **13%**, it is inconceivable for ModimolleLocalMunicipality, and other municipalities, to increase their tariffs within the National Treasury guidelines of 6% However, this budget has made provision to assist and support indigent households to cushion against the impact of the high increases in the tariffs.

## **7. OVERVIEW OF BUDGET FUNDING**

Section 18(1) of the MFMA requires the budget of a municipality to be funded from-

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in Section (17) (2) of the MFMA.

This budget has been prepared taking into cognizance the requirements of the abovementioned section. Revenue was estimated using a collection rate of 90% to billings. This has resulted in moderate increase in the operating budget. The capital budget is funded out of grants received from National Treasury and own income, An adjusted budget will be compiled for Council consideration once more funding becomes available from either internal and/ or external sources. The 2010 Division of Revenue Bill allocations to Modimolle Local Municipality are as follows for 2011/12 – 2013/14.

**Table - Grant allocations over the MTREF**

<b>Grant type (R'000)</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Equitable share	R50 075 000	R55 376 000	R58 990 000
Finance Management Grant	R1 250 000	R1 500 000	R1 500 000
Municipal Infrastructure Grant	R34 156 000	R41 531 000	R43 815 000
Municipal Systems Improvement Grant	R790 000	R800 000	R900 000
Extended Public Works Programme	R 536 000		
Waterberg District Municipality	R1000 000		

These grants are explained below:

- Equitable Share - The equitable share is an unconditional grant and is used for institutional capacity and to support the indigents;
- Local Government Financial Management Grant - This grant is a conditional grant and can only be used for capacity building and Internship Programme;
- Special Contribution towards Councilor Grant - This grant forms part of the equitable share allocations;
- Municipal Infrastructure Grant (MIG) - This is a conditional grant for municipal infrastructure; and
- Municipal System Improvement Grant (MSIG) - This is a conditional grant designed to improve systems within the municipality.
- Waterberg District Municipality – This is a conditional grant designed to improve the electricity infrastructure.

## **8. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES**

Provision was made in the 2011/12 budget for the following statutory and reserve fund contributions:

- Leave Reserve : R 900 000
- Working Capital Reserve : R 4000 000

Contributions in total amount to R 4900000 and this represents 2.2% of total operating expenditure. The working capital reserve makes provision for nonpayment of services.

## **9. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY**

The municipality does not make any grants or allocations to either individuals or organs of state.

**10. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS**

The municipality made provision for an increase of 8% to councillors and employees allowances and benefits. The following 5 new post are included in the budget for 2011/2012:

- Cashier in Alma Budget and Treasury office
- Technician in PMU office
- Admin Clerk in Licence office
- Manager Planning for planning unit
- Process Controller for Water Services.

❖ *See supporting table SA23 for the detail.*

**11. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW**

Monthly targets for revenue, expenditure and cash flow are attached as per supporting table 25.

**12. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS**

The service delivery and budget implementation plans will be tabled to the Mayor within 14 days of the approval of the budget.

**13. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

See supporting table SA33 for the municipality contracts having future budgetary implications for more than 3 years.

**14. CAPITAL EXPENDITURE DETAILS FOR 2010/11**

The supporting table SA36 shows the details of capital budget for the 2011/12 financial year. As the table shows, a combination of grant funding and own income will be used to fund the capital budget.

**15. LEGISLATION COMPLIANCE DETAILS**

This budget has been prepared in accordance with the requirements of the Municipal Finance Management Act, the Municipal Budget and Reporting Regulations and the Municipal Systems Act.

**16. BUDGET RELATED POLICIES**

The policies can be viewed on the Municipalities website, [www.modimolle.gov.za](http://www.modimolle.gov.za).

**17. QUALITY CERTIFICATION**

I, KhupaLekala, Municipal Manager of Modimolle Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **Part 4 – ANNEXURES**

### **Annexure A: Tariff for Electricity**

The Municipality will be implementing the inclining block tariffs during the 2011/2012 financial year, as required by NERSA, to all residents of Modimolle Local Municipality. These tariffs will be extended to all businesses in the 2012/2013 financial year.

It was further resolved that:

- Free Basic electricity to be provided for Indigents only in terms of Council's Indigent Policy;
- Schools, Tennis and Bowling Clubs to be levied on Municipal tariffs for electricity consumption.

**Table : Electricity tariffs**

DESCRIPTION	CURRENT	PROPOSED
<b>RESIDENTIAL:</b> Conventional and Prepaid		
Units		
0 – 50	R0-8303	R0-8303
51 – 350	R0-8303	R0-8600
351 – 600	R0-8303	R1.04
>600	R0-8303	R1.31
<b>BUSINESS:</b>		
- Basic	R249-84 p.m.	R300-00 p.m.
- Unit	R0-8450	R1-03
<b>BULK:</b>		
- Basic	R265-06 p.m.	R320-00 p.m.
- Unit	R0-3935	R0-48
- KVA	R88-65	R108-15
<b>MUNICIPAL</b>	R0-6046	R0-7376

## Annexure B: Tariff for Supply of Water

- Free Basic water to be provided for Indigents only in terms of Council's Indigent Policy.
- A proposed tariff increase of 15% for Modimolle/Phagameng and Vaalwater/Alma is provided for.
- Schools, Tennis and Bowling Clubs will be levied on Municipal tariffs for metered water consumption.

**Table : Water Tariffs**

DESCRIPTION	CURRENT	PROPOSED
<b>RESIDENTIAL:</b>		
<u>Modimolle/Phagameng</u>		
- 0 - 20 kl per 30-day period	R7-38	R8-49
- above 20 kl per 30-day period	R9-96	R11-45
<u>Vaalwater/Alma</u>		
- 0 – 20 kl per 30-day period		
- more than 20 kl per 30-day period	R5-54 R8-86	R6-37 R10-19
<b>BUSINESS:</b>		
Modimolle/Phagameng	R10-33	R11-88
Vaalwater/Alma	R9-35	R10-75
<b>BULK:</b>		
Modimolle/Phagameng	R9-59	R11-03
Kokanje Retirement Village	R8-61	R9-90
Vaalwater/Alma		
- 0 - 5 kl per 30-day period	R2-83	R3-25
- 6 -10 kl per 30-day period	R4-18	R4-81
- 11 - 30 kl per 30-day period	R5-90	R6-79
- more than 30 kl per 30-day period	R6-90	R7-94
<b>MUNICIPAL</b>	R6-64	R7-64



### Annexure C: Tariff for Refuse Removal

- A proposed tariff increase of 6% is provided for.
- Free refuse removal is to be provided for indigent households only in terms of Council's Indigent Policy.

**Table : Refuse Removal**

DESCRIPTION	CURRENT	PROPOSED
<b>Residential:</b>		
Modimolle	R59-47	R63-04
Phagameng	R59-47	R63-04
Vaalwater/Alma	R59-47	R63-04
<b>Business:</b>		
Modimolle/Phagameng	R178-10	R188-79
Vaalwater/Alma	R178-10	R188-79
<b>Mini Mass:</b>		
Modimolle	R362-30	R400-00
Vaalwater/Alma	R362-30	R400-00
<b>Bulk:</b>	R1 158-05	R1227-53

### Annexure D: Tariff for Sanitation

- The sanitation tariffs are determined on the size of the stand and per toilet connection.
- A tariff increase of 6% is provided for.
- Free sanitation to be provided for indigent households only in terms of Council's Indigent Policy.

**Table : Sanitation Tariffs**

DESCRIPTION	CURRENT	PROPOSED
<b>Modimolle/Phagameng</b>		
<b>Basic</b>		
Size of stand:		
0 - 600 m <sup>2</sup>	R23-74	R25-16
600 - 1 983 m <sup>2</sup>	R47-70	R50-56
1 983 - 2 975 m <sup>2</sup>	R63-18	R66-97
2 975 - 3 966 m <sup>2</sup>	R79-08	R83-82
3 966 - 4 957 m <sup>2</sup>	R94-76	R100-45
4 957 - 9 914 m <sup>2</sup>	R110-56	R117-19
above 9 914 m <sup>2</sup>	R2-65	R2-81
(every 992 m <sup>2</sup> )		
Per toilet	R40-17	R42-58
<b>Vaalwater/Alma</b>		
Basic	As above	As above
Per toilet	R23-43	R24-84
Vacuum tank	R59-04	R62-58

### **Annexure E: Tariff for Property Rates**

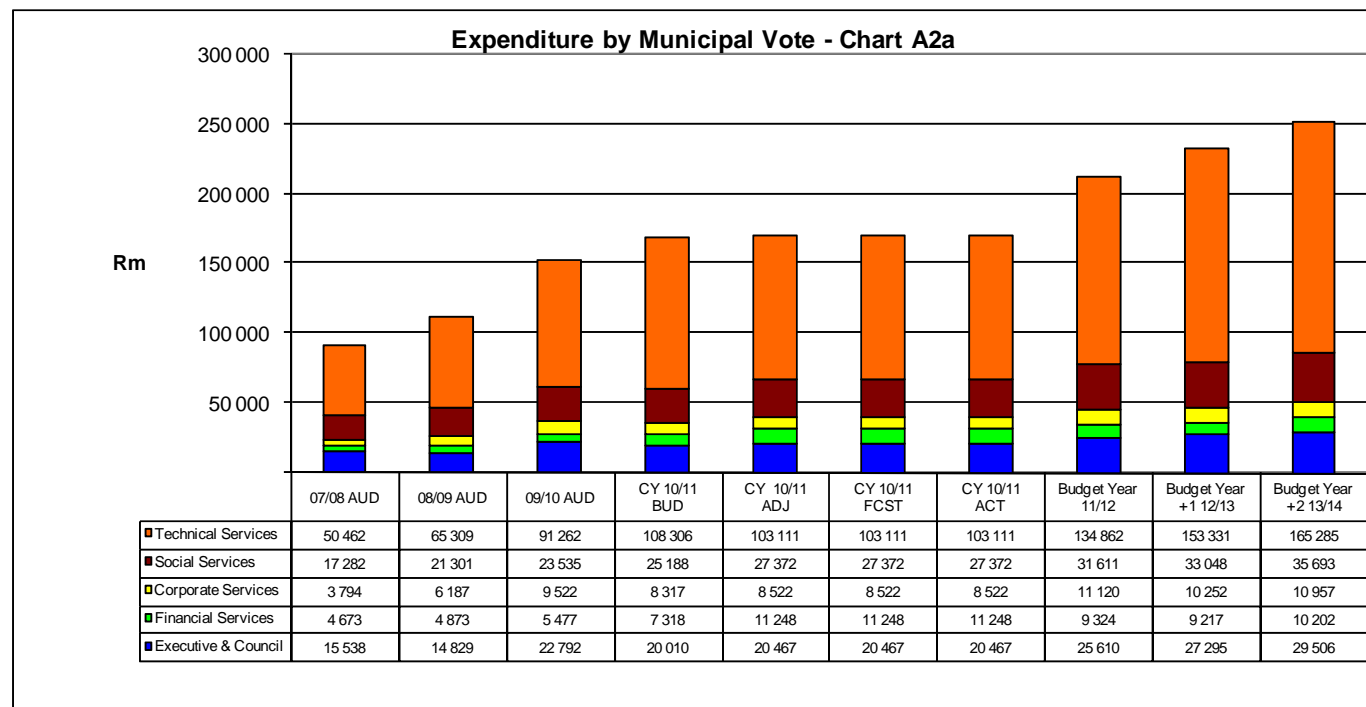
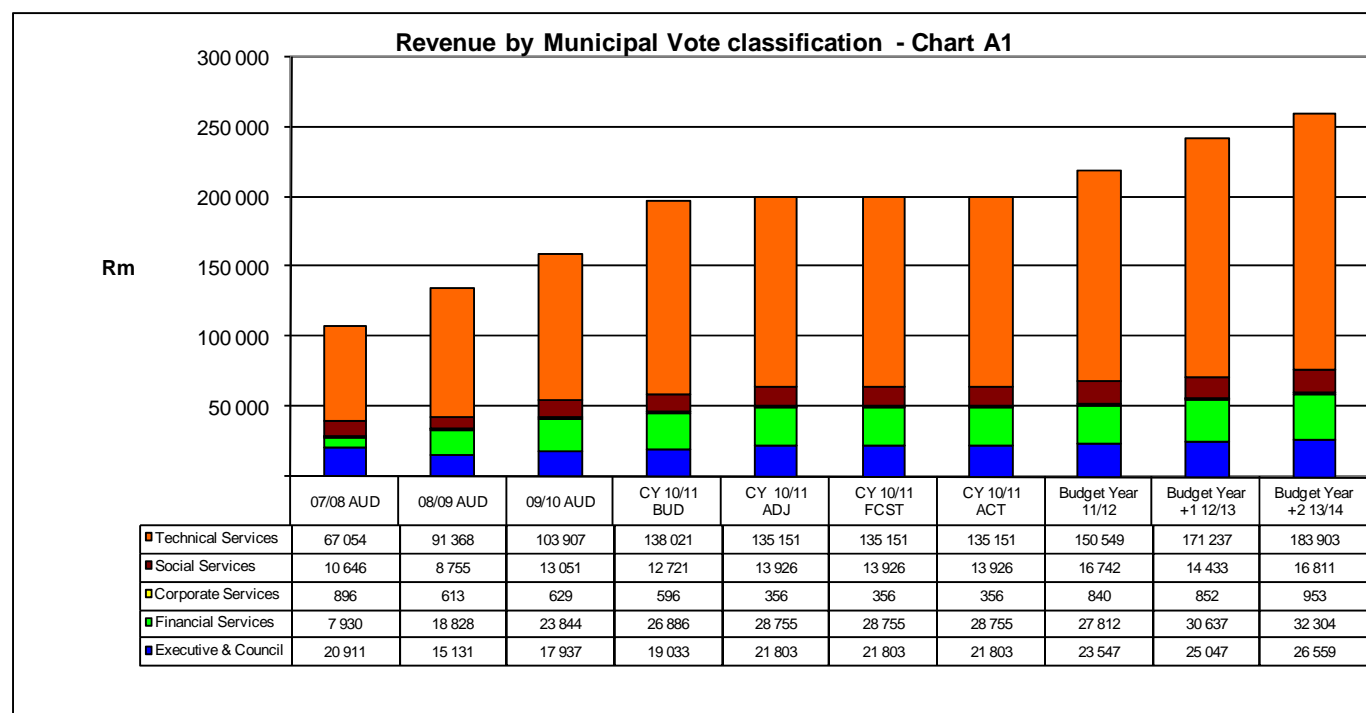
- Tariff increase as follows:
  - Residential properties: 8 %
  - Businesses and commercial properties: 4 %
- In terms of the Property Rates Policy 2009/10 as adopted by Council in 2008, the municipality may levy different Rates for different categories of Property.
- Rebates are granted as per the Property Rates Policy.

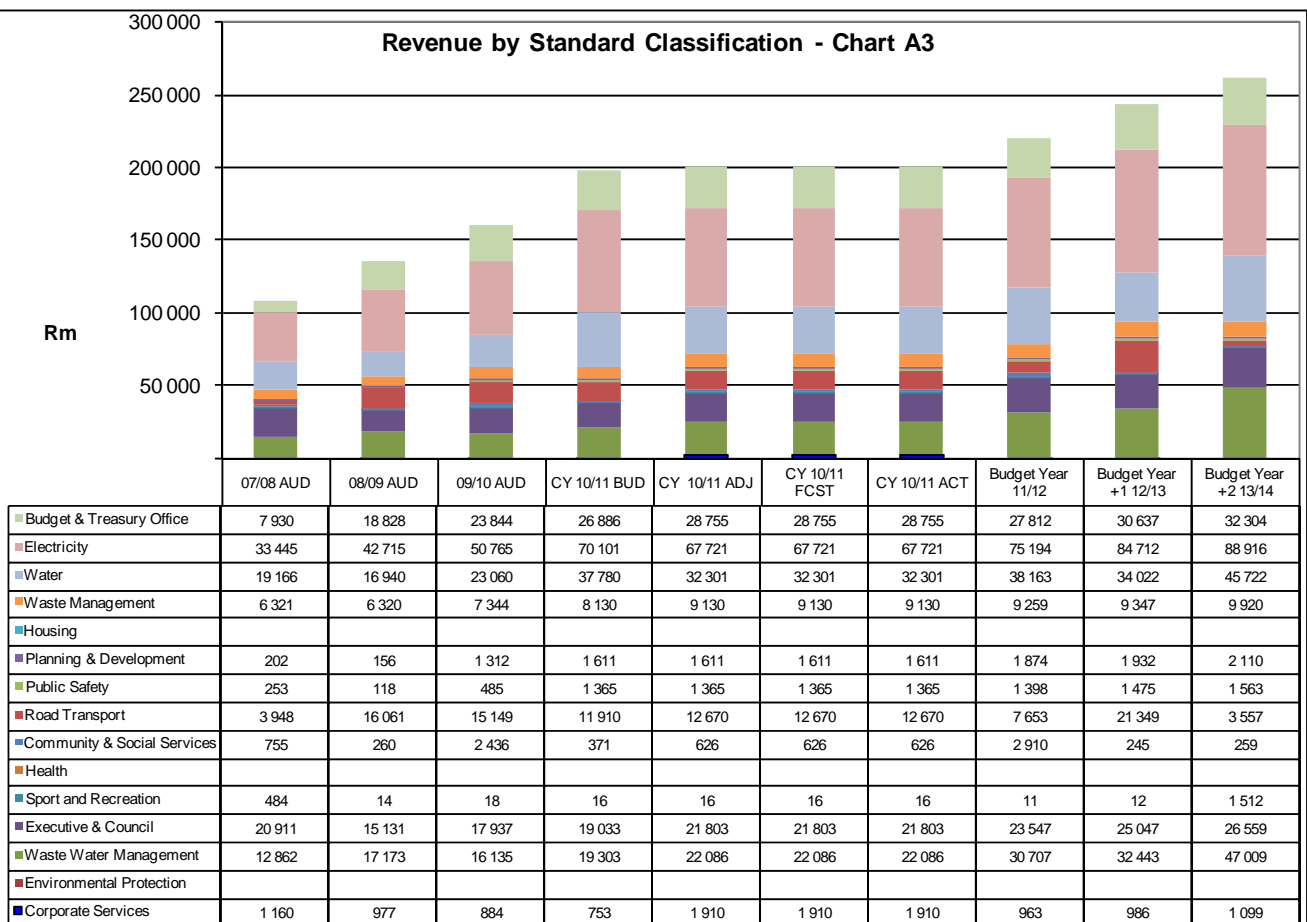
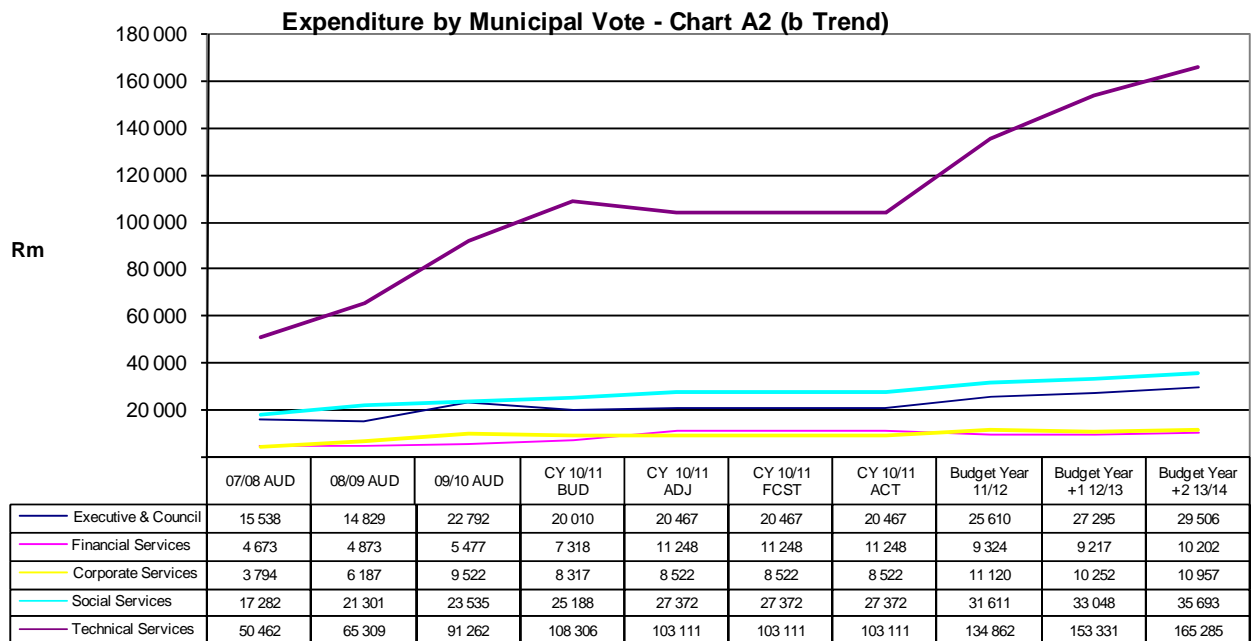
Table 5 indicates the rate for the 2011/12 financial year for Modimolle Local Municipality and is approved for the following categories of property.

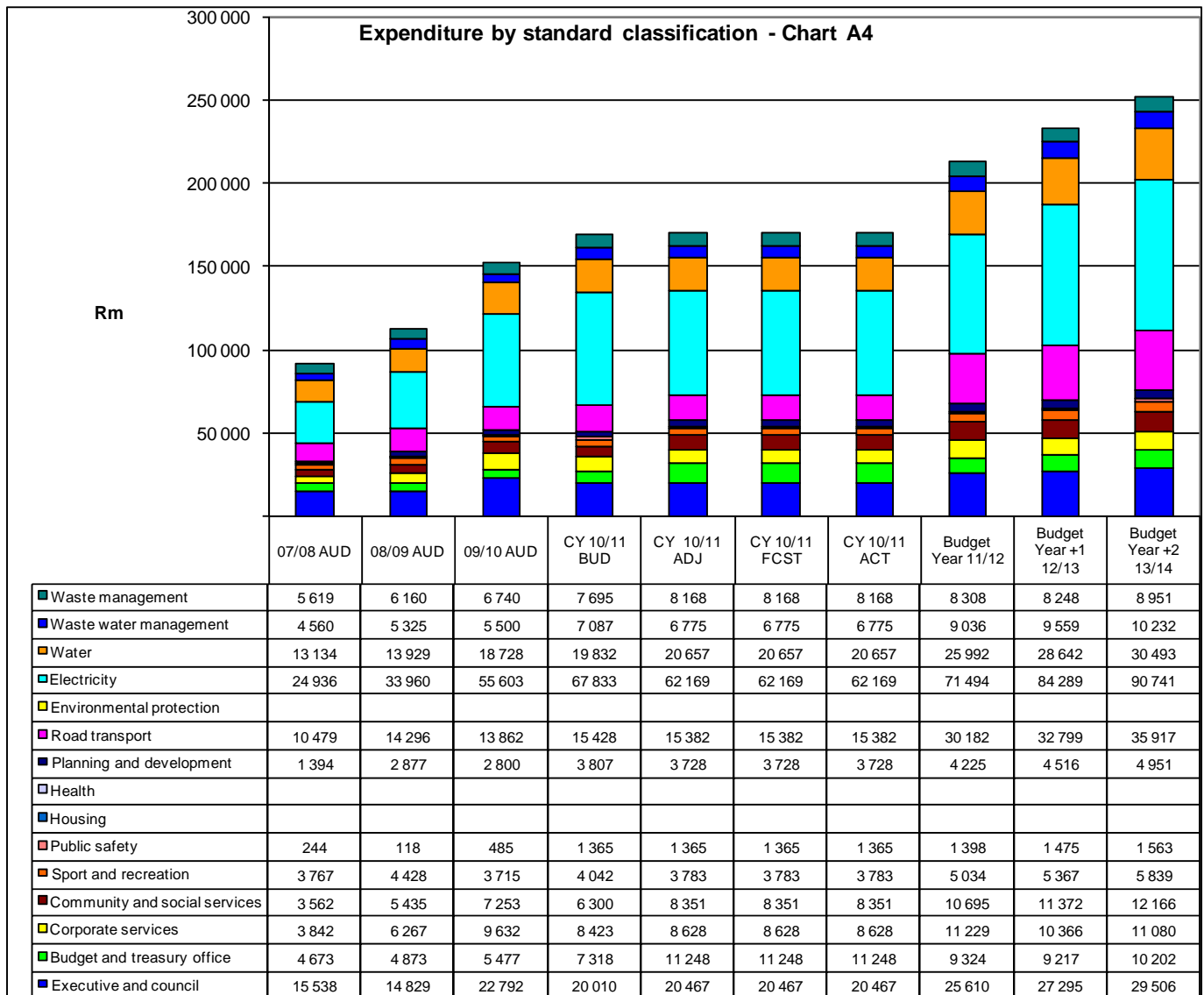
**Table : Property Rates**

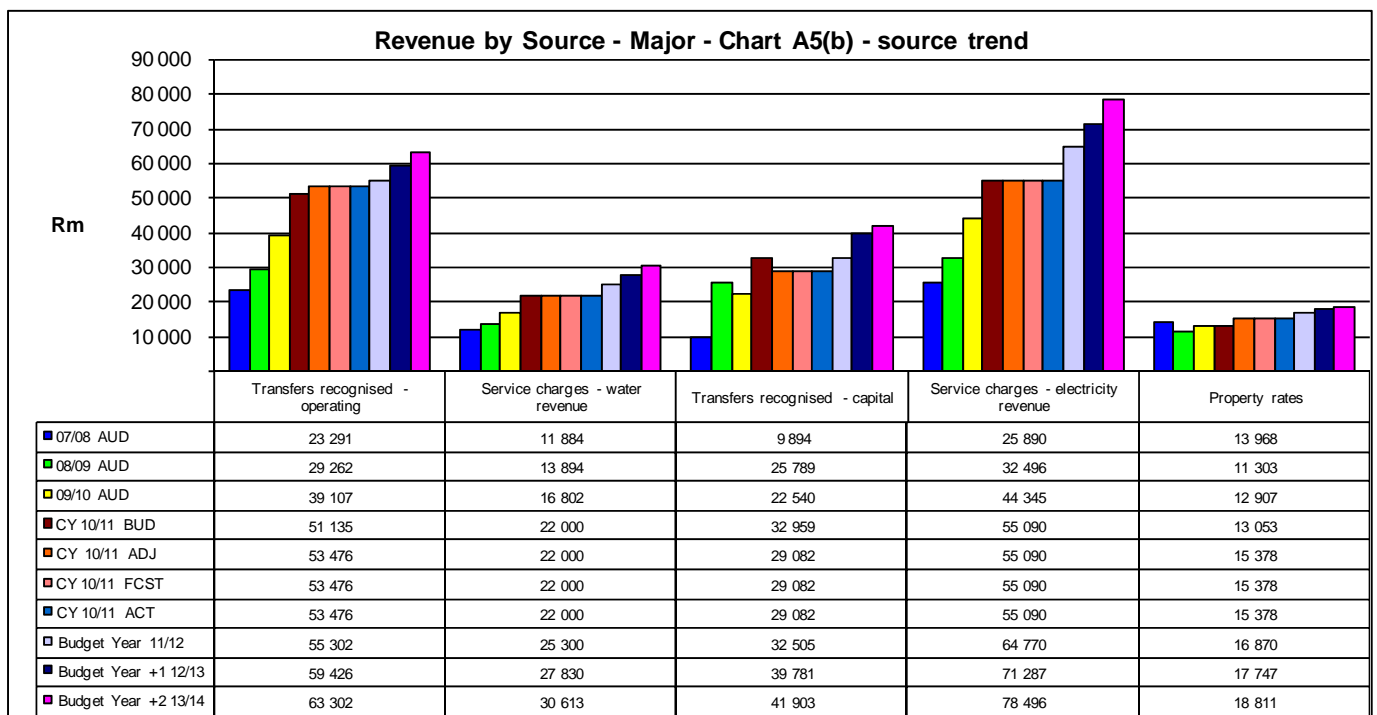
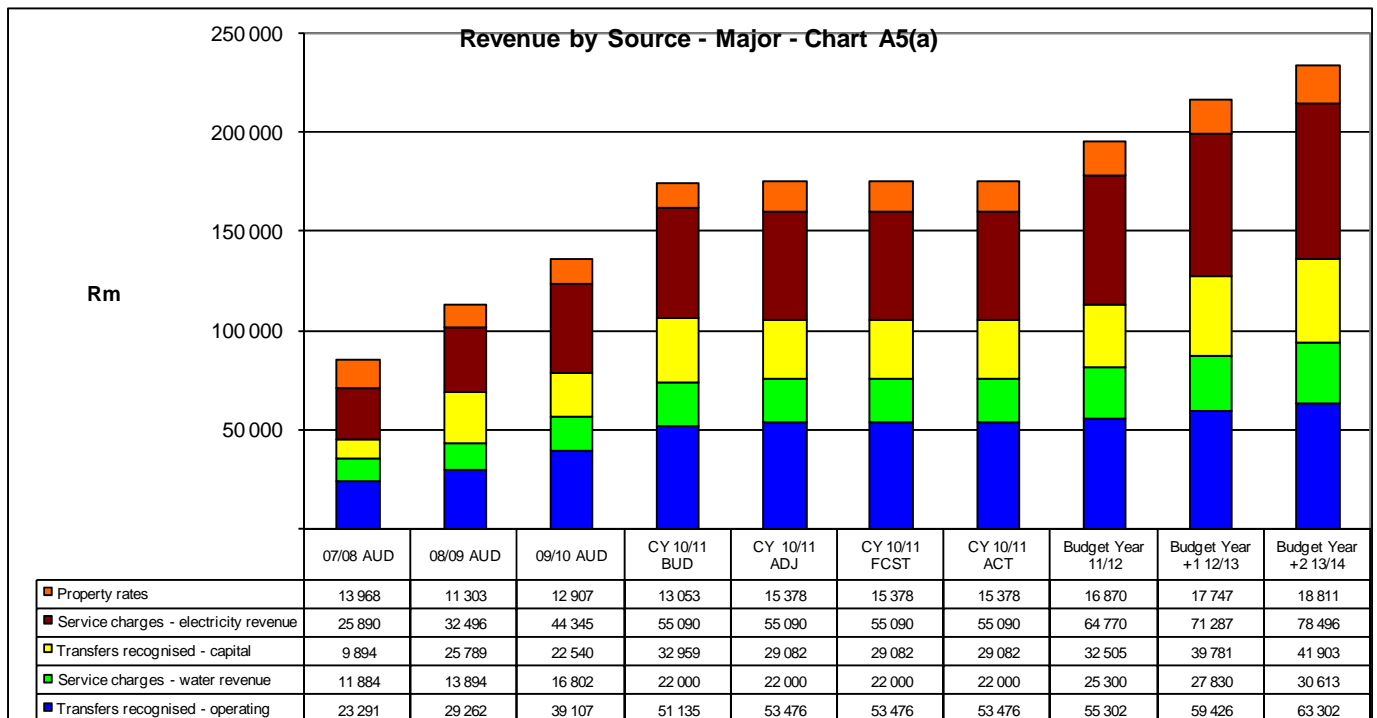
<b>PROPERTY RATES</b>	
<b><i>Rates are determined in terms of the Property Rates Act, 2004 (Act No 6 of 2004) as well as Council's Rate Policy</i></b>	
<b>Residential Property</b>	
An amount of 0.51 cent in a rand per annum	<b>= 0.0051</b>
<b>Kokanje (areas not provided services by municipality)</b>	
An amount of 0.51 cent in a rand per annum	<b>= 0.0051</b>
<b>Business, Commercial &amp; Industrial Property</b>	
An amount of 1.94 cent in a rand per annum	<b>= 0.0194</b>
<b>Agricultural Property</b>	
An amount of 0.13 cent in a rand	<b>= 0.0013</b>
<b>State owned Property</b>	
An amount of 1.94 cent in a rand	<b>= 0.0194</b>
<b>Public Service Infrastructure</b>	
An amount of 0.13 cent in a rand	<b>= 0.0013</b>
<b>Public Benefit Organisation</b>	
An amount of 0.13 cent in a rand	<b>= 0.0013</b>
<b>Mining Property</b>	
An amount of 1.94 cent in a rand	<b>= 0.0194</b>

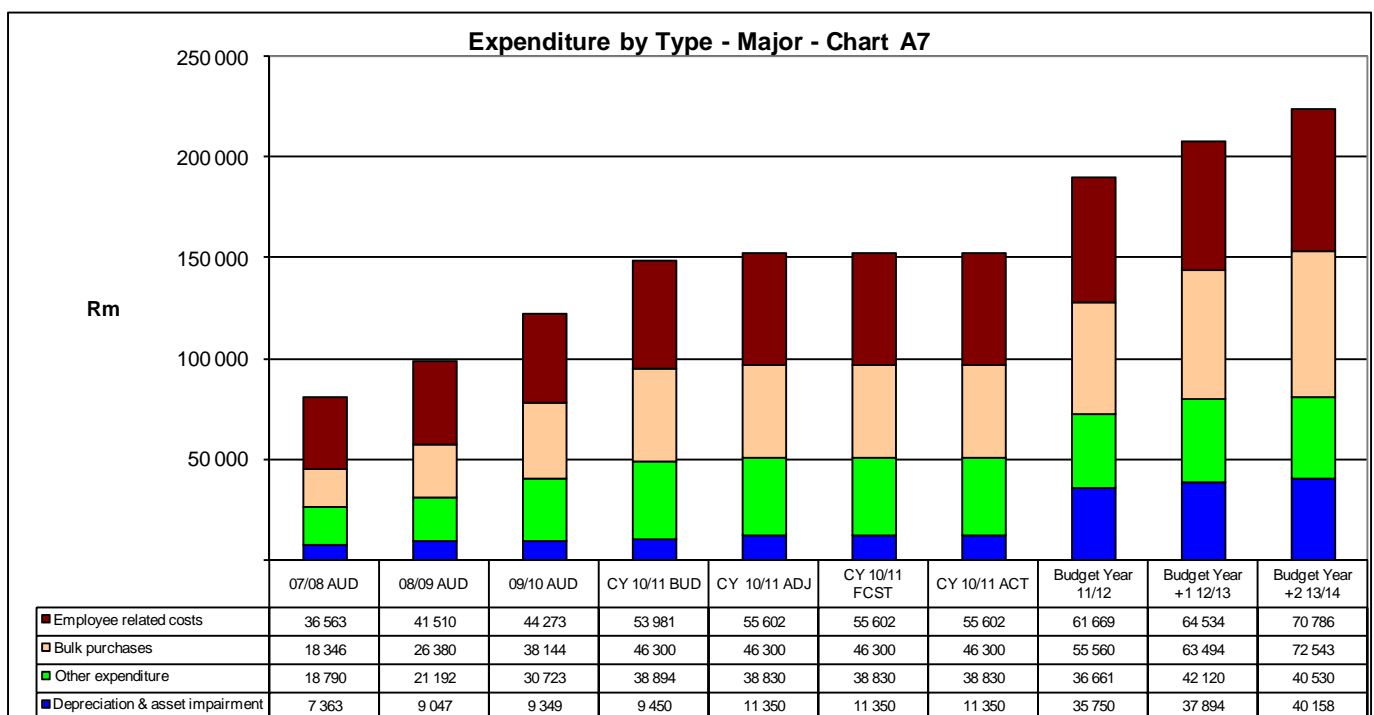
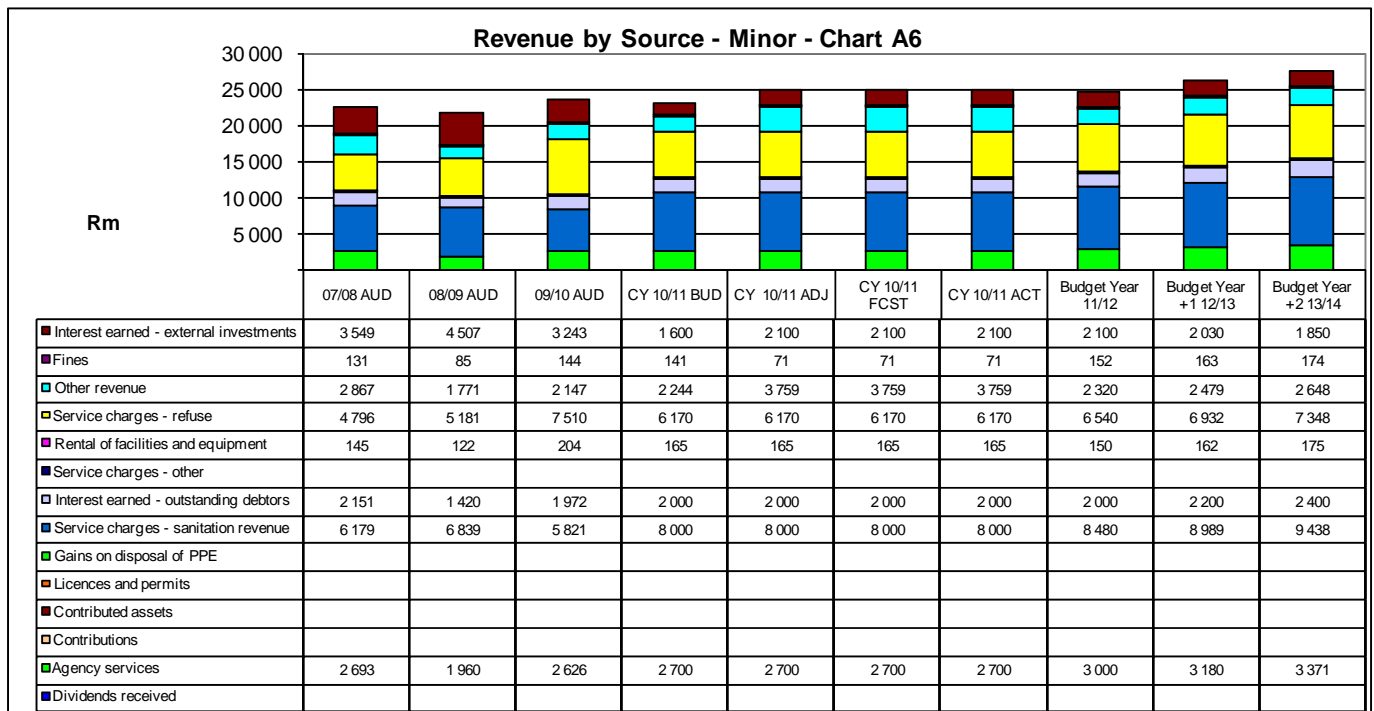
## Annexure F: Supporting Charts

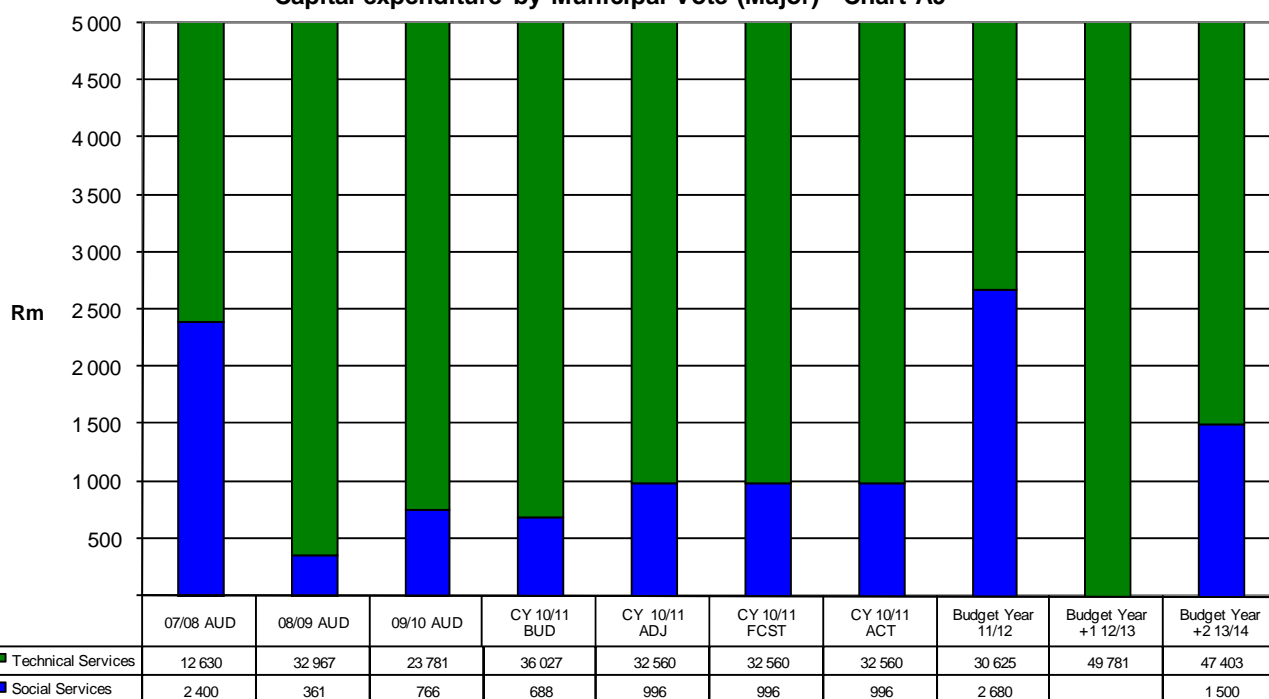
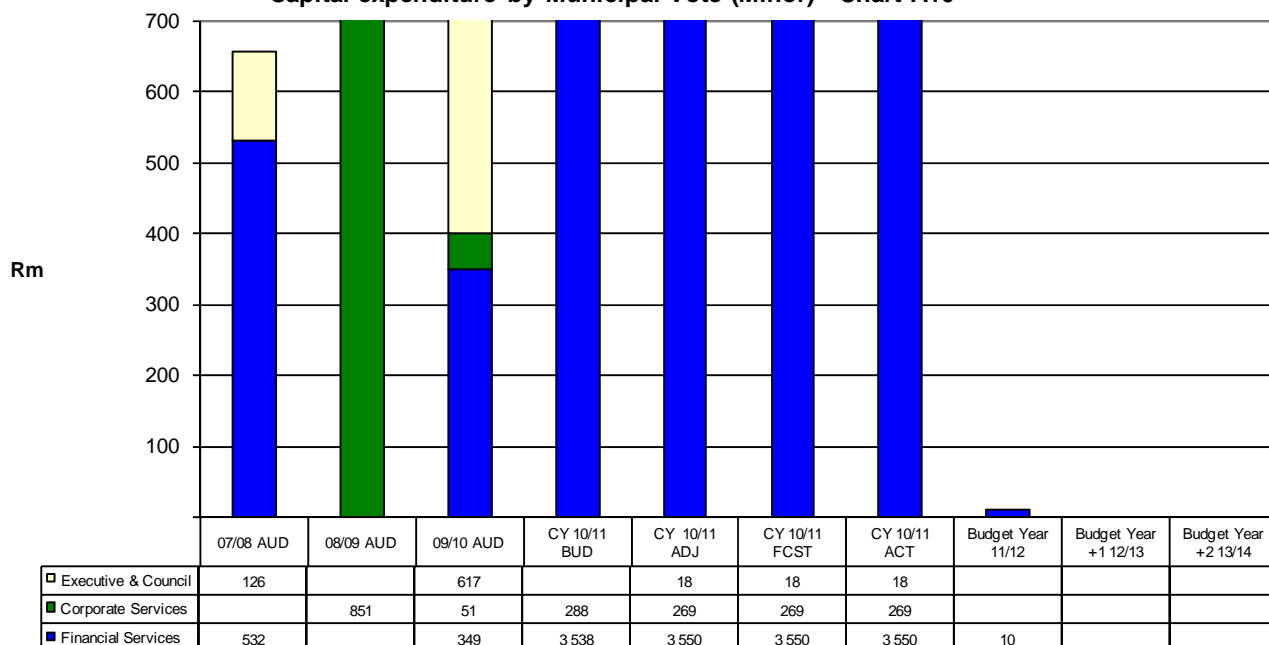










**Capital expenditure by Municipal Vote (Major) - Chart A9**

**Capital expenditure by Municipal Vote (Minor) - Chart A10**




### Annexure G: Integrated Development Plan

The Integrated Development Plan will be the presented in council.

# Annexure H: Sundry Tariffs

<b>ADVERTISING FEES</b>		
<b>DISCRIPTION</b>	<b>CHARGE</b>	<b>BASIC RENTAL COST</b>
Single Gantry: In to Town Out of Town	R8 500.00 R6 500.00	R15 000.00
Citilite Per Face	R4 500.00	R 9000.00
Lightbox Per Ad Per Face	R425.00 R3 400.00	R6 800.00
Pole Ad Per Site	R 461.70	R461.70
Pave Ad Per Ad	R320.00	R640.00
Event Ad Per Ad	R3-00	R1 260-00

<b>DESCRIPTION</b>	<b>CURRENT TARIFF 2010/2011</b>	<b>PROPOSED TARIFF 2011/2012</b>
2. Sewer blockages	R 174-00	R 185-00
3. Sewer connection: 1 <sup>st</sup> connection 2 <sup>nd</sup> connection	R 579-00 R 2867-00	R615-00 R3040-00
Dumpin of Waste Water – Trucks		
8 kl Truck		R50-00
10 kl Truck		R70-00
20 kl Truck		R140-00
4. Water connections: 15mm 20mm 25mm 40mm 50mm 75mm Larger than 75mm Moving of meter Replacement of a meter(consumer fault)	R 1 740-00 R 2 755-00 R 4 206-00 R 5 510-00 R 7 250-00 R10 295-00 Cost + 32% R 725-00	R 1 845-00 R 2 925-00 R 4 560-00 R 5 845-00 R 7 685-00 R10 915-00 Cost + 32% R 770-00 Cost + 32%
5. Burial Fees: All Residents and Rate Payers		
Adult: Standard Grave	R 363-00	R 385-00
8 Feet ( 2.44m ) grave	R 431-00	R 460-00
Casket Coffin	R 392-00	R 420-00
Children	R 123-00	R 130-00
All non residents	R 1 595-00	R 1 690-00
Tombstone	R168-00	R180-00

6. Photocopying: Library A 3 A 4 Records A 3 A 4	R 4-35 R 2-20 R 4-35 R2-20	R 4-65 R 2-40 R 4-65 R2-40
7. Sale of soil, gravel etc , if available ( max 20m <sup>3</sup> ) Penalty for illegal excavations	R 102-00 per m <sup>3</sup>	R 400-00 per m <sup>3</sup> R 5000.00
8. Any other private work in connection with Council activities	Cost + 32 %	Cost + 32 %
9. Registration of boreholes	R 132-00	R 140-00
10. Removal of garden refuse	R 218-00	R 250-00
10. Removal of dead animals:  - Dogs, calves, cats, sheep and goats - Horses, cattle, donkeys and mules	R 73-00 R 188-00	R 80-00 R 200-00
13. All electrical connections	Cost + 12 %	Cost + 12 %
14. Re-connection of electricity and water services for non- payment of accounts  - Office hours - Sunday and Public Holidays - Any other time - Dishonored payment - Illegal re-connection of services	R 218-00    R 132-00 R 1 450-00	R 235-00    R 140-00 R 1 540-00
15. Library :  Fines Loss of cards - Membership Fees	R 7-30 per week R 15-00 R50-00 per member per year	R 8-00 per week R 16-00 R55-00 per member per year
16. Rates Clearance Certificates	R 119-00	R 130-00
17. Valuation Certificates	R 34-00	R 40-00
18. Rank Permit	R 99-00 per year	R 105-00 per year
19. Hawkers' Permit: - Residents - Non Residents	R 123-00 per year R 250-00 per year	R 130-00 per year R 265-00 per year

**TARIFF: TOWN PLANNING AND BUILDING CONTROL**
**All tariffs exclude VAT**

<b>APPLICATION</b>	<b>CURRENT TARIFF</b>	<b>NEW TARIFF</b>
Special Consent use in terms of the Modimolle Land use Scheme 2004	R 725-00 application fee + R 66-00 for every additional erf/stand included.	R 770-00 application fee + R 70-00 for every additional erf/stand included.
Written Consent use in terms of Modimolle Land Use Scheme 2004	R 725-00 application fee + R 66 - 00for every additional erf/ stand included	R 770-00 application fee + R 70-00for every additional erf/ stand included
Building line relaxation use in terms of Modimolle Land Use scheme 2004	R 174-00 ( per line to be relaxed)	R 185-00 ( per line to be relaxed)
Subdivision application in terms of Section 92 of the Town Planning and Townships Ordinance ( 15/1986)	R 290-00 application fee + R 27-00 for every portion to be created by subdivision	R 310-00 application fee + R 30-00 for every portion to be created by subdivision
Consolidation application in terms of Section 92 of the Town Planning and Townships Ordinance ( 14/1986)	R 290-00 application fee + R 27-00 for every erf/stand included in consolidation	R 310-00 application fee + R 30-00 for every erf/stand included in consolidation
Rezoning application in terms of Section 56 of the Town Planning and Townships Ordinance (15/1986)	R 1 088-00 application fee + R 263-00 for every additional erf/ stand	R 1 155-00 application fee + R 280-00 for every additional erf/ stand
Application in terms of the Removal of Restrictive Conditions	R 725-00 application fee	R 770-00 application fee
Division application in terms of the Ordinance on the Division of Agricultural land	R 395-00 application fee + R 66-00 per portion to be divided – applicant places all notices	R 420-00 application fee + R 70-00 per portion to be divided – applicant places all notices
Division in terms of the Division of Agricultural Land Act 70 of 1970	R 290-00 application fee + R 27-00 per portion to be divided	R 310-00 application fee + R 30-00 per portion to be divided
Zoning Certificate	R 36-00 per zoning certificate per stand	R 40-00 per zoning certificate per stand
Demolition Certificate	R 36-00 per certificate per stand	R 40-00 per certificate per stand
Township Establishment	R 4350-00 application fee ( applicant places all notices)	R 4620-00 application fee ( applicant places all notices)
Zoning Plans	A4 - R 43-50 A3 - R 79-00	A4 - R 46-20 A3 - R 83-75
Building prints	Sepia A – R 116-00 A1 – R 73-60 Durester AO – R 116-00 A1 – R 87-00 Paper AO – R 50-00 A1 – R 43-50	Sepia A – R 125-00 A1 – R 78-00 Durester AO – R 125-00 A1 – R 93-00 Paper AO – R 53-00 A1 – R 46-20
Building Plan Fees	For every 10m <sup>2</sup> or part thereof of the area of the building tat the level of each floor- R 29-00 with a minimum of R 261-00. Applications for a minor work as defined in the National Building regulations- R 188-00	For every 10m <sup>2</sup> or part thereof of the area of the building tat the level of each floor- R 35-00 with a minimum of R 280-00. Applications for a minor work as defined in the National Building regulations- R 200-00

**LEASING OF VENUES: TARIFFS 2011/12**

IN ALL INSTANCES OF RENTAL, A REFUNDABLE DEPOSIT OF R 500-00 IS APPLICABLE

<b>TYPE OF GATHERING PER GATHERING BETWEEN 08:00 – 24:00</b>	<b>O R TAMBO HALL</b>	<b>RUTH FIRST MEMORIAL LIBRARY AUDITORIUM</b>	<b>PETER NCHABALENG HALL</b>	<b>YOSUF DADOO HALL</b>	<b>EPHRIAM MOGALE STADIUM</b>	<b>LESEDING HALL</b>	<b>LESEDING STADIUM</b>
Weddings, entertainment, fairs, sales, exhibitions, shows, cinema shows, concerts and dramatic performances by professional players, fetes, dinners, luncheons, cocktail parties, mannequin parades and any other gathering not mentioned in these tariffs.	R 1310	Not available	R 1310	R 1310	R 1310	R 1310	R 1310
Amateur theatricals or concerts, dancing displays and practice, amateur boxing or wrestling tournaments, table tennis or badminton matches, and any other indoor sport or recreation when admission is charged.	R 395	Not available	R 395	R 395	R 395	R 395	R 395
Conferences, congresses, bazaars, meetings and lecturers	R 395	R 395	R 395	R 395	R 395	R 395	R 395
Theatrical or concert rehearsals, dancing practices and classes, provided that no admission is charged and provided further that if the facility is required for a gathering which will be of greater financial benefit to the Council, any reservation of the facility under this group shall be deemed to be cancelled	R 395	Not available	R 395	R 395	Not available	R 395	Not available
Meetings by ratepayers associations, civic social and sporting bodies or clubs, debating or similar societies, political parties of elections, presentation of prizes, lectures of educational nature, religious services or gatherings	R 265	R 265	R 265	R 265	R 265	R 265	R 265
For fundraising purposes, churches, schools and other related bodies	R 265	Not available	R 265	R 265	R 265	R 265	R 265
Amateur boxing or wrestling tournaments, rugby, soccer and practices, table tennis or badminton tournaments or practices and any other indoor sport or recreation, provided that no admission is charged and provided further that if the facility is required for a gathering which will be of greater financial benefit to the Council, any reservations of the facility under this group shall be deemed to be cancelled.	R 265	Not available	R 265	R 265	R 265	R 265	R 265
Professional boxing, soccer, rugby, wrestling, cricket, athletics tournaments and music festivals	R3 600+ Refundable Deposit of R 500	Not applicable	R 3 600+ Refundable Deposit of R 500	Not applicable	R 7185 +Refundable Deposit of R 2000	Not applicable	Not applicable